# Daily Report

# Latin America

FBIS-LAT-94-052
Thursday
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## Latin America

FBIS-LAT-94-052 17 March 1994

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## Argentina Backs Gaviria's Candidacy for OAS Head

*PY1703030394 Buenos Aires PAGINA/12 in Spanish 16 Mar 94 p 4*

[Text] OAS Secretary General Joao Baena Soares will arrive in Buenos Aires at the highest point in the dispute over his succession. Two weeks before the elections of a new OAS secretary general, no diplomat dares make public his forecast of the election results. For the time being, the firm candidates are Costa Rican Foreign Minister Bernd Niehaus Quesada and Colombian President Cesar Gaviria. The only clear indication is that the Colombian candidate has a heavyweight vote: that of the United States.

Argentina had promised to support the Costa Rican foreign minister. But two months ago President Carlos Menem informed Gaviria over the phone that if he presented his candidacy he could count on Argentine support. Following this change of decision, Foreign Minister Guido Di Tella had to make another phone call to explain to his Costa Rican counterpart the reasons for the change.

According to Argentine ambassador to the OAS, Hernan Patino Mayer, Di Tella argued that the decision to support Gaviria's candidacy changed the whole panorama and forced a reconsideration of the former Argentine position. Argentina also toyed with the possibility of presenting an Argentine candidate: the former Radical Civic Union foreign minister, Dante Caputo. But Caputo's candidacy was never made official because the requisite was that he comply with his mission as UN and OAS mediator in restoring democracy in Haiti before the elections for secretary general.

The Colombian president, whose four-year mandate expires in August, has the support of nearly all the Latin American countries, except for Venezuela and Chile. He also has the support of the United States, Mexico, and Canada.

Venezuela has not promised its vote to any of these two firm candidates because it has not yet withdrawn the candidacy of its own foreign minister, Miguel Angel Burelli Rivas, the one with the least support so far. Most of the Central American and Caribbean countries have promised their support to the Costa Rican candidate.

Costa Rican diplomacy has established the current dispute with the current Colombian president on the terms of a confrontation between regions, that is, between small and large countries. Costa Rica points out that since the OAS' foundation there has never been a Central American or Caribbean secretary general. The first OAS secretary general was Alberto Lleras Camargo from Colombia. He was followed by Carlos Davila from Chile, Jose Mora from Uruguay, Galo Plaza from Ecuador, Alejandro Orfila from Argentina, and Joao Baena Soares from Brazil, who has been secretary general since 1984.

According to Ambassador Patino Mayer, the Costa Rican approach is incorrect because, he said, the secretary general is elected based on his background and never on the country he comes from. That is why, he added, Argentina favors President Gaviria, because he is a politician who has been very successful in the fight against drug trafficking with the arrest of Pablo Escobar Gaviria, he made progress in the field of human rights, and he is leaving the presidency following elections won by a candidate from his own political party.

"We think we have enough votes to win the elections," Colombian Foreign Minister Noemi Sanin Rubio said on 15 March. This belief is shared by the Argentine Foreign Ministry.

## Brazil Invites 4 States To Join Antidrug Campaign

*PY1603220094 Madrid EFE in Spanish 2233 GMT 14 Mar 94*

[Text] Manaus (Brazil), 14 Mar (EFE)—The Manaus Federal Police Superintendency reported today that the armed forces of Colombia, Venezuela, Bolivia, and Peru have been invited by Brazil to join a large operation to block the drug trafficking mafia operating in the Amazon River basin.

Superintendent Mauro Sposito said the plan was presented to those countries during the Sixth Military Exchange Meeting of the Armed Forces held in Sao Gabriel da Cachoeira last week.

Sposito said Venezuela already h[illegible]d its participation in the campaign that wil[illegible] the "Blocking Operation" [Operacion Bloqueo], and Colombia hinted that it also will support it.

The Manaus (capital of Amazonas State) police superintendent explained that the plan includes the establishment of an information network among the armed forces of the countries sharing the Amazon basin.

Sposito added that in Brazil the operation will cover all the federal organizations in Amazonas State and the national and multinational fuel distribution companies. Sposito said 200 Federal Police officers will work exclusively on the operation.

Sposito also indicated that the "Blocking Operation" has the basic purpose of fighting drug trafficking at the Brazilian border with the other four countries.

Brazil also intends to be excluded from the list of countries used as transit routes by international drug traffickers. Sposito pointed out that Brazil and Venezuela have become the first countries on the cocaine route that starts in Colombia and ends in the United States and Europe.

Therefore, said Sposito, the Colombian Armed Forces' participation will be essential for the operation's success.

The "Blocking Operation" seeks to intercept the flow of cocaine on the Amazon River by integrating the Brazilian river police patrols in Tabatinga (at the Colombian border) with the Manaus police.

The operation also includes a follow-up by Brazil on actions against drug traffickers in Colombia.

Strict air traffic control in the Amazon region that includes the destruction of fuel supply networks and clandestine airfields, as well as the neutralization of the air space in the large Amazon basin, are the main aspects of the "Blocking Operation."

The operation also will include two radio centers, which began operating last November, in Tabatinga and Tefe (Amazonas State) to intercept the drug trafficking routes.

## Cuba

### Allende: Government Wants 'Normal' U.S. Ties

*BR1603144394 Groot-Bijgaarden DE STANDAARD in Dutch 15 Mar 94 p 4*

[Report on interview with Deputy Foreign Minister Isabel Allende by Francis Van Den Berghe, in Havana; date not given: "Cuba: Lifting Embargo Would Open Way To Normal Relations With United States—Americans 'Are Using Democracy And Human Rights As An Excuse'"]

[Text] Havana—"Of course we want normal relations with the United States, it was not Cuba that broke off relations," says Cuban Deputy Foreign Minister Isabel Allende. "But first the 32-year-old economic embargo against our country must be lifted. It has cost us $40 billion in damage, goes against international law, and has been condemned throughout the world. With such an embargo, how could it be possible for us to talk about compensation for U.S. possessions (which were nationalized after the 1959 revolution, ed.)?"

Washington recently lifted the economic embargo against Vietnam without imposing political preconditions. Deputy Minister Allende does not have much hope that this will also happen to Cuba in the near future.

"It is a good, rational thing that the embargo against Vietnam was lifted," she says. "But Cuba is a special case for U.S. Governments. Their policy toward us goes beyond pure rationality. Cuba is something like an obsession. Of course, one can also interpret the maintenance of the embargo against Cuba as a warning to the rest of Latin America," a warning that a high price is paid for any reduction in U.S. influence on the continent.

"The Americans," Allende sighs, "make demands on us about human rights and democracy. But they are just excuses. They do not want Cuba to follow an independent course." These demands are largely linked to domestic U.S. politics, she says. There are more than 1 million Cubans living in the United States, and they are U.S. citizens and voters who are hostile to the Castro government. Wealthy exiles finance the election campaigns of U.S. politicians like Torricelli, who ensured that the Cuban embargo was further tightened at the end of 1992.

"Not all of them are hysterics who want to further strengthen the embargo," according to Allende. "Others do not want that at all. In April, we will talk with those exiles who accept that Cuba makes its decisions itself." The distinction between "fanatics" and other Cubans in the United States is a new element in Havana's attitude. Until recently all exiles were regarded as "gusanos" (worms) and defectors who had betrayed their country.

The deputy prime minister speaks passionately in support of the democratization carried out by Cuba within the one-party system. "What is democracy?" she asks. "Does it only exist in one form, such as the one applied in the United States? For me, it still means government by the people. In Cuba the people participate in the government. Where else are planned economic measures subjected to popular consultation in the workplace?" Allende refers to the planned government cutbacks, the introduction of a progressive income tax, and other far-reaching changes, which after an initial debate in parliament, are being discussed in the factories under the leadership of the trade unions.

The minister defends last year's general elections. "It was the people who chose the candidates for the election lists," she says. "Directly and by secret voting." She agrees with parliamentary Chairman Ricardo Alarcon. He said proudly that "the political map of the world would look very different if everywhere, like in Cuba, the people selected the candidates, rather than the political machines greased by the financial powers."

Havana feels that Washington, with regard to Cuba, limits the concept of "human rights" to individual and political rights, while discounting economic and social rights. "There are human rights in Cuba, which are not even discussed in other parts of the world," Allende says, referring to free education and health care and the absence of hunger and poverty. "In addition, Washington violates human rights itself," she says. "U.S. companies are not allowed to trade with us and U.S. tourists are not allowed to go to Cuba."

Nicanor Leon Cotayo, a columnist for the Trabajadores trade union newspaper and member of the Communist Party's Central Committee, also calls the U.S arguments for the embargo excuses. "The original justifications given for the embargo were that Cuba was a danger to U.S. security, that it encouraged subversion in Latin America, that it was the ally of the Soviet Union, that it intervened in Angola. With the passing of time they could no longer use these arguments. Now human rights and democracy have once again come to the forefront in their arguments."

Nicanor Leon says: "But when Washington had to explain to the United Nations why it supported the embargo, it dropped all these arguments and maintained only the demand for compensation for nationalized U.S. interests in Cuba." Only the United States is still making problems about the nationalization; in other countries the problem has been cleared up, according to him. And the real reason for the embargo? "The United States has not forgiven Cuba for shaking off its neocolonial status in 1959 in a traditional sphere of U.S. influence."

Leon points out that to a large degree Cuba "is a theme of domestic politics in the United States. Nearly 1 million Cubans live in Florida, the state with the fourth biggest electorate in the United States. The U.S.'s Cuba policy is decided in Miami. Up to now it was Jorge Mas Canosa who decided this policy."

Mas Canosa, a businessman originally from Cuba, is president of the Cuban American National Foundation,

a right-wing, extreme anti-Castro organization. He was the architect of the tightening of the U.S.'s embargo on Cuba during the 1992 presidential election campaign. "That is the core of the problem," says Leon. "The U.S. policy toward Cuba is hostage to Cubans in Miami." Leon does not say "the" Cubans in Miami: he, too, makes a distinction between Cuban exiles who want to talk to Castro and the "fanatics" around Mas Canosa.

How are things in Cuba now? "The lifting of the embargo would make it easier to solve our internal problems," says Leon, "simply because it would be cheaper to import a range of products."

**Investments**

Deputy Minister Allende identifies two priorities: "We must seek new markets, and we must encourage foreign investments, for without these investments we cannot get production up to an adequate level." Cuba has rolled out the red carpet for foreign investors. They can have full ownership of companies and repatriate profits.

Recently Cuba has been inundated with businessmen eagerly looking for opportunities. Many made investments, but others wonder how they can repatriate profits if they cannot convert their money into foreign currency. Cuba is considering making the peso convertible, but is still hesitating because that would entail a large devaluation.

"For us,two principles cannot be negotiated," says Allende,"and those are our independence and sovereignty; and the benefits of the revolution, a social security system like that on which Europe prides itself. And the fundamental sectors of the economy will not be considered for privatization."

## Foreign Minister Robaina Continues Asian Tour

### Meets Phnom Penh Press

*FL1603180294 Havana Radio Reloj Network in Spanish 1500 GMT 16 Mar 94*

[Text] Cuban Foreign Minister Roberto Robaina said today in Phnom Penh that his country's diplomatic offensive seeks to convey the truth about the Caribbean Island, within the dynamic context of changes in the current world.

Speaking to local Phnom Penh reporters, Robaina said that the basic objective of his previous tours of Caribbean and African countries, and his current tour of Asian countries, is to explain the truth about what is being done in Cuba. In developing our foreign policy, we need to explain to our friends and to governments what we are doing in our country regarding the economic transformation process in which we are engulfed, Robaina said.

With these objectives, we could not ignore this region, which has achieved important economic results over the past few years. Their experience can be useful to us, Robaina added.

The Cuban foreign minister told the press that Cuba is open to foreign investments in the areas of petroleum, nickel, agriculture, tourism, biotechnology, and the pharmaceutical industry. He added that this process is difficult and complex because it is done under the tremendous pressure of the blockade imposed by Washington against Cuba for more than 30 years. There is still implacable persecution of all those willing to negotiate with Cuba. Today, of every 10 contacts we make, eight are suspended because of such threats. But by no means will we stop our direct contacts with various countries throughout the world, he said.

Robaina in Phnom Penh stressed the success achieved despite the economic, commercial, and financial blockade, and added: We are neither hell nor heaven, but a beautiful island, which defends its sovereignty, independence, and achievements.

### Arrives in New Delhi

*FL1703030694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Mar 94*

[Live report from New Delhi via telephone, by special correspondent Rey Rodriguez]

[Text] Cuban Foreign Minister Roberto Robaina arrived in New Delhi today on his tour through Southeast Asia. Robaina's visit is at the invitation of Salman Khursheed, minister of state for external affairs, who visited Cuba last November. On that occasion, Khursheed conveyed to his Cuban counterpart India's interest in entering spheres such as biotechnology, fishing, and the sugar industry.

This nation of over 800 million inhabitants has a high level of scientific-technical development and great trade, and it exerts a marked influence in the region.

Before arriving in India, Robaina made a 24-hour visit to Cambodia, where he was received by Cambodia's Foreign Affairs Minister, Prince Norodom Sirivut. During Robaina's visit, the two leaders agreed to put political and economic relations on the same level, and coincided in seeking new forms of cooperation for mutual benefit. Robaina arrived in Cambodia at a time when Cambodia is increasingly seeking to incorporate itself into the region as it tries to find a negotiated solution to the conflict in that nation—through a program of national reconciliation signed in Paris last November.

Tomorrow the Cuban foreign minister will meet with his counterpart Dinesh Singh and with representatives of the Chamber of Commerce and Industry. He will also tour the Indira Gandhi Memorial.

On Saturday, Robaina will be in Malaysia, where he is expected to have meetings with important businessmen, after which he will leave for Vietnam, the last stop of this tour through Asia.

## Commentator on India Visit

*FL1603153694 Havana Radio Rebelde Network in Spanish 1255 GMT 16 Mar 94*

["Our Opinion" station editorial by Orlando Contreras]

[Text] Cuban Foreign Minister Roberto Robaina today will arrive in India as part of a visit to several Asian countries. As is well known, this tour began in Indonesia, the country leading the nonaligned movement. The Indonesian Government and the productive sectors in general have reaffirmed their willingness and desire to increase trade and cooperation with our country in several areas.

Robaina's trip through that region of ancient culture is still underway, so it is premature to make an assessment, either country by country or of the mission as a whole. I believe, however, that the objective of these visits has been achieved.

Cuba needs to make known to the world the true situation current in the country, and its new strategies to counteract the perverse blockade and the collapse of the European socialist bloc, particularly of the ex-Soviet Union. Our international relations also have an impact on the priorities of our economy within the context of principles.

Today I would like to underscore the importance of the Cuban foreign minister's visit to India. This Asian country is one of the most heavily populated nations on earth, a multinational, multiethnic, and pluricultural country, the industry of which is extremely versatile.

India and Cuba are linked by long-standing ties of friendship. As you are all well aware, both were founders of the nonaligned movement in 1961, and both countries demand the right to a dignified life for Third World nations, which implies international cooperation, trade without barriers, transfer of technology in an unrestricted manner, and respect for self-determination and national sovereignty.

Commander in Chief Fidel Castro had already visited this vast nation, the culture of which spans more than four milleniums, and which was responsible for one of the earliest literary creations of man. Its great forefathers and leading figures of the modern state, beginning with Gandhi; then Nehru; later, Nehru's daughter Indira; and finally, Rajiv Gandhi, have enhanced the policy of peace, mutual understanding, and demands for the rights of neglected peoples.

With all of these precedents, it is easy to assess the importance of this visit the Cuban foreign minister will begin within the next few hours to India, without minimizing, of course, the visits he already made to other countries of the region, and the visits he is still to make to other Asian countries, all of them heirs to ancestral cultures.

## Argentina's La Plata, Havana Vieja Twin Cities

*FL1603180994 Havana Cuba Vision Network in Spanish 2320 GMT 15 Mar 94*

[Text] The Argentine town of La Plata, capital of the Buenos Aires Province, and the municipality of Havana Vieja have decided to formally establish a mutual cooperation agreement.

As part of a visit to Cuba of an Argentine delegation from La Plata, an agreement was signed in Havana to declare Havana Vieja and La Plata twin sisters. The agreement was signed by Raul Joaquin Perez, chairman of the La Plata Town Council, and (Miguel Angel Brown), president of the Assembly of the People's Government in Havana Vieja. Both parties recognize the friendship ties between the two towns and promise to actively cooperate in the areas of tourism, preservation of their historical heritage, health, sports, and culture.

[Begin Perez recording] They have given us a great deal of material, including the laws that are in effect in Havana, the tax system prevailing in Havana, the coparticipation framework among companies, and others. Well, speaking of Cuba is speaking of tremendous development in the textile industry, for instance; and of course we know that, because of the special period, some important factories with qualified personnel have been closed. We believe that we also have a propitious field in this area because our city has a petrochemical industry that produces such raw materials as threads. [end recording]

La Plata is a town of 900 square km, with some 600,000 inhabitants. Its economy is based on fruit, vegetable, and flower production, in addition to an important petrochemical plant and several large- and medium-sized industries.

## Ambassador Predicts Increased Trade With Brazil

*FL1603215494 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Mar 94*

[Text] Cuban ambassador to Brazil Jorge Bolanos, who is ending his diplomatic mission in that country, has predicted that trade between Brazil and Cuba will take a giant step this year. He announced the visit within the next few months of several delegations to Cuba. He made these announcements during a dinner given for him in Sao Paulo by some 120 local businessmen who have businesses in Cuba.

In a news conference reference to relations between the two countries, Bolanos said that Brazil must hold the position it deserves in this stage of recovery and development of the Cuban economy.

The Brazilian businessmen presented Bolanos a plaque noting the outstanding historic events in bilateral economic ties.

### TV Cites Canadian Minister on Closer Latin Ties

*FL1703031394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Mar 94*

[Text] Through its position against the economic blockade of Cuba, Canada is showing its intention to adopt a policy more independent of that of the United States and one of greater rapprochement to Latin America, said Canadian Foreign Minister Andre Ouellet today. The minister stressed the need to strengthen the ties between Canada and Latin America, a region in which, in his opinion, the OAS can play a decisive role.

### Bosque Urges Return to Target-Shooting Practice

*FL1603160494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 16 Mar 94*

[By Gloria Guerrero from Granma]

[Text] Revolution Commander and Politburo member Juan Almeida Bosque, who is also chairman of the National Association of Veterans of the Revolution, has met with members of the secretariat of the Association of Cuban Revolution Veterans in Granma. Speaking in Bayamo, Almeida Bosque stressed the need to restore popular target-shooting practice and to encourage all the people to participate in this activity.

In a meeting with members of the Veterans secretariat, Almeida Bosque stressed the need to organize a movement for counseling children and young people to make target shooting a common practice if we want each Cuban to learn how to shoot and shoot well.

To achieve this, he recommended development through initiatives, contests, and other activities, but always with the objective of contributing to preparing the people for defense.

Accompanied by Division General Ramon Espinosa Martin, chief of the Eastern Army; Vice Admiral Aldo Santamaria Cuadrado; other chiefs and officers; and local Granma political leaders, Almeida Bosque expressed interest in current activities, in discipline, in patriotic-military work, and stressed as unavoidable the need for the association to be self-financed.

### Roundup of Economic Activity

*FL1603215594*

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 12 and 16 March.

Radio Reloj at 1504 GMT on 12 March reports that Matanzas Province is outstanding in controlling borers through biological means. In 1993, despite the nation's resource shortages, some 48 million borer-eating flies were released to control the pests in 78,000 caballerias. It is estimated that borers are responsible for losses of between 9,000 and 130,000 tons of sugar per year.

Radio Reloj at 1509 GMT on 12 March reports that the Eliseo Caamano Agriculture-Livestock Production Cooperative in Consolacion del Sur Municipality, Pinar del Rio Province, expects to harvest 5,000 quintals of tobacco during the current campaign, a record figure in the co-op's 15 years of existence. The co-op has harvested 250,000 poles of tobacco to date, almost 50 percent of the expected harvest.

Radio Rebelde at 1800 GMT on 12 March reports that Ciego de Avila Province has had the biggest white grapefruit harvest in history, 14,500 tons in the 1993-94 campaign.

In the same newscast, Rebelde reports that exploitation of a small gold mine in the Castellanos multimetallic deposit in Minas de Matahambre, Pinar del Rio Province, will begin next month. The engineer in charge of extraction and processing says the gold is in tiny particles that will have to be extracted from the soil. He says approximately one pound of gold, worth $6,000 on the world market, can be obtained from every 500 tons of soil. Putting the mine into operation will provide jobs for over 200 excess workers from Pinar del Rio's mining enterprise. Exploiting the mine has been made possible through an investment of approximately 3 million pesos.

Radio Reloj at 1500 GMT on 14 March reports that in three days of work members of the Antiaircraft Defense and Revolutionary Air Force reached 142 percent of potato picking, a great labor feat. In San Antonio de los Banos, Havana Province, 250 DAAFAR members are supporting the food program on orders of the high command. Lieutenant Colonel (Juan Avelero), deputy chief of the troops, has said that in Havana 2,000 men from various Western Army units helping pick tomatoes will remain for some 30 days to work in the potato harvest.

Radio Rebelde at 1255 GMT on 15 March reports that the Siguaney factory in Sancti Spiritus is producing a new variety of gray cement which has proven very resistant to salt water and good for many uses, including blocks. Specialists point out that its production allows the factory to save 10 kwh of electricity and 26 kg of oil per ton: in other words, 11 percent less than what was traditionally required.

Radio Reloj in its 2030 GMT newscast on 15 March reports the following:

"The Colombian subsidiary of the English hotel chain (Forte) has, at Cubanacan's request, taken over the administration and marketing of the (Las Yagrumas) Hotel in San Antonio de los Banos." Cubanacan president Abraham Maciques confirms: "Cubanacan has signed similar joint ventures—which guarantee a market, experience, and technology—with prestigious hotel groups from Spain, the Netherlands, Jamaica, Germany, and Canada."

In Sancti Spiritus Province since January, 300 caballerias of cane have been cultivated using oxen. The province's Basic

Cooperative Production Units, agricultural-livestock cooperatives, credit and services cooperatives, and state organizations own over 1,600 teams of oxen. Sector workers intend to cultivate some 2,800 caballerias of land using ox teams, in addition to working on self- sufficiency plots and the planting, collecting, and transportation of cane. The Ministry of the Sugar Industry aims to have some 2,300 teams of oxen by the end of 1994.

The workers of the sugar industry's machine shops in Havana are carrying out two important tasks this year: manufacturing chains for cane and conveyor belts (esteras) for bagasse, in cooperation with a Spanish firm. They continue to support the production of spare parts.

The National Association of Small Farmers (ANAP) will this year put a plan into effect to motivate those agricultural producers most outstanding in fulfilling their plans for collection and sales to state organizations. This was reported at the ANAP provincial plenum in Matanzas, which analyzed production and collection management in the small farm sector. The plenum, held at the Alberto Delgado Cooperative in Perico Municipality, was presided over by ANAP President Orlando Lugo Fonte and attended by Agriculture Vice Minister Luis Gonzalez.

The first Guitart-Cayo Coco tourist complex, in the cays north of Ciego de Avila Province, has hosted close to 20,000 foreign tourists during its nearly 10 months of operation. This complex opened in April 1993 to outstanding Ciego de Avila workers, received its first foreign visitors a month later, and was officially inaugurated on 12 November 1993. There are plans to build a second Guitart-Cubanacan tourist installation on Cayo Coco.

The workers of the Ramiro Santiago fish farm in Las Tunas are trying to produce 20 million tilapia larvae and 12 million fry in 1994, figures far greater than in 1993. In 1993, a little more than 1,000 tons of fish were produced there; in 1994, the farm expects to raise this figure to 1,600. Las Tunas' program designed to increase production to 8,000 tons in the next four years will provide each inhabitant of the province two pounds of freshwater fish per month.

Radio Rebelde at 0000 GMT on 16 March reports that Cuba is going to cultivate sunflowers to produce fodder and sunflower oil. Lieutenant Colonel Gilberto Pena Martinez says a multidisciplinary group from the Ministry of the Interior is going to work with each province to begin planting in August and to begin developing the industry with a view to meeting approximately 50 percent of the ministry's fat needs.

## Haiti

### Anti-Aristide Front Launches Mobilization

*FL1603193494 Port-au-Prince Radio Metropole in French 1145 GMT 16 Mar 94*

[Text] The Haitian internal opposition to the return of President Aristide, in facing the political blockade imposed as an attempt to solve the crisis, appears ready to move for real this time, following a congress held on 11 March in Port-au-Prince. Now the leaders of opposition parties will try to relaunch the mobilization this week. Rothschild Francois filed a report:

[Begin recording] [Francois] Mobilization, unity, and reconciliation are the watchwords of the coordination committee that issued from among the political parties at the Visa Lodge meeting. Those political formations, mostly hostile to President Aristide, deem the political vacuum in the Haitian executive dangerous and abnormal. Those parties, including the MDN [Mobilization For National Development], FRAPH [Revolutionary Front for Haitian Advancement and Progress], and RDR [Assembly of Democrats for the Republic] blame the state for the misery prevailing in the country. This situation could lead to a social explosion in Haiti, according to the analysis of those parties, grouped together within the coordination committee presided over by Attorney Gregoire Eugene. For this assembly of political leaders opposed to the return of President Aristide, mobilization is imperative right now in order to extract the country from the crisis.

[Eugene] Facing this imminent peril, it is urgent that the entire national population mobilize. Following the meeting at Visa Lodge on 11 March, it has been decided to launch a national mobilization under the motto: love, unity, reconciliation. A nine-member coordination committee has been established to assure coordination of this mobilization imposed by the realities of the difficult times we are experiencing. We make a point—given the national peril—of giving an essentially national character to the efforts for a solution to the crisis.

[Francois] The coordination committee intends to hold a news conference on Wednesday. In this meeting, which will be open to other political groups, more should come out regarding the strategy that the committee intends to follow to achieve this mobilization.

According to the president of the coordinating committee, based on the initiatives of these political formations from the opposition, the country must come out of the crisis. [end recording]

### Sansaricq: Senate Ready To Form New Government

*FL1603221194 Port-au-Prince Signal FM Radio in French 1130 GMT 16 Mar 94*

[Text] Senator Bernard Sansaricq is supporting the stance of the Group of Latin American and Caribbean Countries of the United Nations opposing the idea of a possible reinforcement of the sanctions against Haiti. Sansaricq, president of the other Office of the Haitian Senate, thinks the Group of Latin American Countries should have also demanded the lifting of the international sanctions against Haiti.

[Begin recording, in Creole] [Sansaricq] They have seen that the embargo has yielded nothing. On the contrary, it

has hardened the stance of some in Haiti who are really fighting for democracy and who have said that foreign countries do not have the right to interfere in our internal affairs and that we have definitively decided to pay the price—no matter what it is. They have seen that an illegal and criminal embargo—an embargo aimed at destroying the country, the country's economy, and the Haitian people—has already caused 25,000 deaths in Haiti, not to mention children. We cannot imagine the destruction brought to the country's ecology.

There will be elections very soon in the Dominican Republic. The country's situation can affect the results of those elections. There are factors that show the other Latin American countries that this nonsense cannot continue. They must finally lift the embargo and let Haiti decide for itself on its own fate. Not only do I share their opinion but I think they should have gone further, they should have demanded the outright lifting of the embargo against Haiti.

[Unidentified reporter] Furthermore, Sen. Sansaricq has called on all sectors of the national life to participate in the formation of a new government.

[Sansaricq] Since I was [elected] president of the Senate, we have been ready and waiting for the other institutions which will accompany us in the process of establishing a nationalist government, a government that can lead the fate of the country, because we cannot remain in this deep confusion with the resigning Robert Malval government that is doing nothing, that is dismissing people from time to time even though it has no right to do so because it is a resigning government.

The Senate is ready; the Senate has always said it is ready. We are ready to do what has to be done so we can form a nationalist government in Haiti. We are open. We are open so we can reach a solution that will get the country out of the crisis. The Senate is open. The Senate is ready. [end recording]

## Aristide Denies Involvement in Alleged Land Deal

*FL1603230894 Port-au-Prince Signal FM Radio in French 1130 GMT 16 Mar 94*

[Text] One can only sell what one owns. This is what Aristide spokesman Jean-Claude Martineau said to explain to public opinion that Jean-Bertrand Aristide has nothing to do with the Mole Saint-Nicolas thing, or the (Portortuga) affair. The Haitian president is not involved in this matter—not closely nor even remotely—nor is any other member of the government involved in this matter. However, perhaps the main person accused, Commerce Minister Louis Dejoie, is. The matter is still just a rumor, but it will be looked into, says Jean-Claude Martineau.

[Begin Martineau recording, in Creole] Something is being said discreetly throughout the country: The commerce minister has allegedly given a company a portion of Mole Saint-Nicolas. The rumor says that no other part of the government knows about it. Since this is a rumor, we will try to obtain information about it.

Meanwhile, however, President Aristide would like to inform the public that he has nothing to do with that matter. Should it be true, the minister alone must bear full responsibility for it. When one does not own land, one cannot sell that land. [end recording]

Let us recall that during a news conference by the Group of Democratic Parliamentarians [Groupe des Parlementaires Democrates, GPD], Deputy Samuel Madistin accused the minister of commerce of having signed a contract with the company (Portortuga S.A.) granting it a portion of Mole Saint-Nicolas. This contract allegedly gives the company exclusive rights to build an entertainment and leisure facility on land located in Mole Saint-Nicolas.

## Chamber's Justice Committee Studies Amnesty Bill

*FL1603233494 Port-au-Prince Radio Metropole in French 1700 GMT 16 Mar 94*

[Text] The Justice Committee of the Chamber of Deputies is studying the bill on amnesty prepared by Deputy Evans Beaubrun. The document submitted to the committee members for analysis will then be presented to the assembly for a vote.

The author of this bill, Deputy Evans Beaubrun of Leogane, while acknowledging that the right to grant amnesty in political matters is exercised by the president of the Republic, believes that legislators have the right to legislate on all matters, including amnesty.

It should be noted that the chairman of the Justice Committee, Deputy Samuel Madistin, went underground after receiving threats.

Vice President Edmond Mirold tells us about the bill:

[Begin recording, in Creole] [Mirold] It is a bill that the Justice Committee is going to work on. Since the president of the deputies, Deputy Samuel Madistin, has not given any indication, I am going to try to get in touch with him as soon as possible to see whether we could work on the bill and submit an efficient work to the assembly for the deputies' vote.

[Reporter Jean] In view of the importance of this amnesty law, how long do you think it will take the Justice Committee to submit the bill to the assembly?

[Mirold] As I am not the chairman, I do not want to give any date. I will become the chairman, once I write to the chairman of the Justice Committee and he fails to answer. Then I will assume my responsibility as vice chairman, and I could give a date. Until I meet with President Madistin and he either gives me the green light to work or does not show up and I start working, I remain subject to his decision.

[Jean] What is your personal opinion, Deputy Mirold?

[Mirold] It appears to be a good work. However, I think that the committee will have to do a great deal of work on the text, taking into account the passions of the context in which the bill will be voted. The assembly will have a lot of work to do after the Justice Committee does its work. [end recording]

## Evans Picault Resigns, To Leave Politics

*FL1703001494 Port-au-Prince Radio Metropole in French 1700 GMT 16 Mar 94*

[Text] There has been a new resignation in the FNCD [National Front for Change and Democracy] parliamentary bloc. Deputy Evans Picault is pulling out of the camp of Aristide supporters. The deputy, disappointed with the behavior of his former allies and opponents, is considering turning his back on politics. In announcing his future withdrawal from political life, the deputy was not soft on the political sector, the international community, or the exiled president, whom he holds responsible for the failure of the democratic experience that began in December 1990. Edner Jean filed a report:

[Begin recording] [Jean] In his statement to Radio Metropole, Evans Picault left out no one, neither his former friends nor his opponents. I want to leave with a light heart and a clear conscience, he told us. In his farewell to FNCD, the deputy from Saint-Marc revealed his disgust with politics and his disappointments as a militant. I never thought I would reach such a decision, he said. But, facing the failure of FNCD in the management of the political crisis, Deputy Picault sees no alternative to turning his back on the Front under whose banner he was elected to the 45th Legislature. And before he closed the door, Picault, to avenge himself on his former leaders for having betrayed his political convictions, took time to rip off their masks.

[Picault, in Creole] The leaders themselves do not want Aristide to return. They are just playing politics; foreigners are leading those men. There is not one of them who does not have a foreigner behind him. I got involved in politics because I love my country and I am a young man. I see Haiti as a country with many problems, and I wanted to fight for democracy.

Then I realized that politics was a business. I told myself that it was out of the question for me to continue fighting in organizations that have no credibility or depth. Their speech is different from their actions. As a consequence, I cannot stay involved in such a thing.

The reason I am standing up today to announce officially that I am resigning from FNCD and Conacom [National Congress of Democratic Movements] is that I realize that those men are not democrats. How can one be part of the government of a person who is in exile, be fighting for his return, be a minister of his government, and sign something he did not sign? It is a scandal. It is not politics. He [not further identified] should have left his government first, then sign his crooked deal.

[Jean] Evans Picault is not, however, sweet toward President Aristide. In his statement, he put the former Saint-Jean Bosco priest on the bench of the accused, calling him an apprentice dictator. He wanted to fight everyone at the same time, while he had no concept of democracy, explains the deputy, who regrets that the people voted in Father Aristide. The people will pay dearly for their vote, exclaimed Evans Picault.

In addition, he condemned the embargo imposed on Haiti at the request of the president.

[Picault, in Creole] The first person to blame for the failure of democracy is Aristide. Because Aristide was not the person to vote in as president. Aristide lacked clear-headedness. When you are fighting for something, you must understand that the enemies you attack are more powerful than you. He did not use diplomacy to hold power. When he took power, he attacked everyone. He attacked the bourgeoisie, he attacked the macoutes. The macoutes are a force after 30 years of power. Who can overthrow the macoutes in this country? You can burn some little macoutes during popular upheavals but how can you burn up macoutes? I have never accepted this kind of thing.

Second point: Aristide thought that he could destroy the military institution with other institutions he was going to establish. He could have done it, with some reservations. The person whom you decide to attack already knows it; then you fail. He did not lead the struggle properly. Furthermore, Aristide did not have any political skill in his speeches.

[Jean] Deputy Picault added that Father Aristide has no intention of returning to Haiti; he did not see why many other lives must be sacrificed for a man who is enjoying comfort and luxury in Washington. The deputy from Saint-Marc, without regret or guilt, is turning a page in his life. After 14 years in active politics, Evans Picault hopes to complete his education in engineering, as soon as his mandate is over. To make sure he did not omit anything, he looks back on the past and looks at the country.

[Picault, in Creole] I do not see any hope for democracy in this country, because our enemies are very powerful. It is not those inside who are the most important, but those on the outside. [end recording]

## Marcos Says Rebels Will Not Break Peace

*PA1703045794 Mexico City LA JORNADA in Spanish 16 Mar 94 p 3*

[Report on interview with Subcommander Marcos of the EZLN by David Aponte and Matilde Perez U. in Chiapas; date not given]

[Excerpts] Lacandona Jungle, Chiapas State, 15 Mar—Subcommander Marcos, of the Zapatist National Liberation Army [EZLN], has reported that his organization will not initiate any warlike action and will stop all "warlike advancements" regardless of the results of the discussions for an honorable peace.

He categorically stated that the EZLN will not unilaterally open fire in spite of provocations against the peace process by farm owners and ranchers in Chiapas. He noted: "If the farm owners do not take a military initiative against us, we will not take one against them because the Indian Revolutionary Clandestine Committee decided on its own to respect the August elections process."

Marcos explained: "At this moment political work is above military actions, and our watchword to the communities of the region and to all the country is: 'Here we are! This is our call now.'"

Marcos was interviewed in a rebel military operations center. The subcommander spoke about his military strategies and tactics, the social support his movement enjoys in the communities, and governing the rebel-controlled zones for the past two years. [passage omitted]

[LA JORNADA] Is the EZLN surrounded by the federal Army in the jungle?

[Marcos] In a military sense, yes, our forces are surrounded. We cannot make any offensive movement or muster big or small units of troops or try an offensive like the 1 January one. But we maintain a defensive position, and we are in our territory. We are trained for this. When we withdrew after the attacks on the municipalities, we adopted this position.

[LA JORNADA] Has this cease-fire period represented a military advantage for the Mexican Army? Have they located you? Were you prepared for this phase?

[Marcos] We are. When the cease-fire came on 12 January the federal Army said to itself: "I have located them. I have their barracks and their communications centers, and I am ready to bomb them," and it did. They bombed several of our positions even after the cease-fire order had been given and later argued that the troops did not know about the cease-fire. What happened is that the Army already had complete military intelligence reports and then planned to definitely push us out of the towns into the mountains and then engage in a counterinsurgency phase, but now without the media being on top of the Army.

Then the federal Army realized that the Zapatist positions were, geographically speaking, in the center of rural towns. The Army then decided, within the framework of the fabrication that came out of the Persian Gulf war that it is possible to wage war against a nation and to kill only the military without harming the civilian population, that a surgical-type annihilation would be easy. I imagine that the political cost of this was estimated.

The government and the Army were bewildered. They wondered who is really behind this movement. They looked at each other out of the corners of their eyes wondering if the person at their side could be the one sponsoring it. Then they decided to go for the cease-fire and for the dialogue, to see who is behind all this.

[LA JORNADA] What is the difference between the EZLN and other guerrilla movements, such as those in Central America? The EZLN seized some municipalities and then withdrew.

[Marcos] Yes, because our force is made up of peasants. We have no forces in the cities. Of course the peasants can control the cities and the roads militarily. They do not have to attack cities to control them. The peasants may attack a city to recover weapons, ammunition, or to do propaganda work.

We began our struggle with political work and with the formation of militias in the towns for the self defense of territories, but we do not have the capability to carry out urban military actions. The truth is that those urban military actions that took place during the armed conflict were the work of other organizations. We had nothing to do with that.

The current EZLN stage is one of survival, and we have to see that no life is lost, in the best of cases, and that this allows us to keep our territory to survive as a combatant force.

Another objective is to receive the support of the people, who have told us: "Do not surrender the weapons." First they used to say: "Talk, make peace." Later they said: "Talk, but do not believe in what the government says; do not surrender the weapons because if they are going to give us something it is because we are armed; if you put down your weapons, they will give us nothing." We received this kind of advice from many people.

[LA JORNADA] The interview was interrupted by a combatant who brought a message. Marcos concluded the interview with an anecdote from General Francisco Villa.

[Marcos] His people used to ask him where he was going to sleep, and he always named a place, but the next morning he would wake up in a different site. He was afraid of being betrayed."

## Chiapas Groups Agree To Press for Reform

*PA1503211594 Mexico City Radio Acir Network in Spanish 0000 GMT 15 Mar 94*

[Report by Carlos Santoyo from San Cristobal de Las Casas, Chiapas; from the "Acir Radio News" newscast—live]

[Text] Indian and peasant organizations concluded a meeting in San Cristobal de Las Casas and announced an agreement to block roads, occupy government agency buildings related to agricultural and livestock production, and take over the Chamber of Deputies and congressional headquarters. Jorge Arturo Luna, a leader of the Independent Peasants Central Organization [CCI], reported that the peasant demand for greater participation in agricultural issues should be reinforced with enhanced grain crop yield and land tenure protection controls. Therefore, they say, Article 27 of the Constitution should be reformed. They added that Article 4 should also be changed to give Indian communities more rights and greater recognition of their worth and political participation nationwide. The peasant organizations announced that another national meeting will be held on 22 March in Mexico City. Agricultural and Indian organizations from all over the country will participate in this meeting.

The important thing now, though, is that the Catholic Church is said to be justifying the recent land invasions. We spoke with Father Joel Padron, parish priest of Simon Jovel, which is a community about three and one half hours away from San Cristobal de Las Casas. It is noteworthy that Fr. Joel Padron said that the hunger, poverty, and destitution among Indians and peasants is high and explained that this is why they are seeking some way to support their families. He added that the church has no part in the issue of land invasion or the armed movement of last January. He went on to say that the church is not to blame for the hunger and, especially, for the deaths of thousands of children, or for the indigence of thousands of Indians. Joel Padron also said that the church must also change is attitude, because it—along with the political parties—has been left behind by society in general and by a community that has organized itself to struggle in defense of its rights.

[Begin Padron recording] The civilian population is awakening with the events in Chiapas and claiming its rightful place. I believe the political parties must feel left behind by the civilian society. They have new challenges at every turn. How can they offer these discontented groups, who have been rejected for so long any truly dependable solutions? How can they respond to the civilian population? The community is capable of making a more constructive contribution to the peace process. I believe the civilian population, as such, which goes beyond any political party, does not respond to any specific group interest or any political interest. It is more interested in creating a new Mexico. [end recording]

He said that a new Chiapas should rise from the movement that began in January. It should become a new state where justice is pure; deprivation is left behind; peasants are given their rights, especially their right to speak out, because they were never allowed to do so.

Joel Padron added that one guarantee that must be secured in order to attain peace in this state is that the community in general be allowed to participate in the peace process. The church cannot remove itself from this process and must become a true promoter of peace, and never extricate itself. He responded to those critics who are calling for Monsignor Samuel Ruiz and himself to resign. Those demanding this are mistaken, because the church does not promote violence. Violence has appeared because of the hunger and poverty of thousands of people who are seeking some way to support their families.

## Guatemala's De Leon Pays Official Visit

### Admits Rebel Action in Chiapas

*PA1603180194 Mexico City XEW Television Network in Spanish 0430 GMT 16 Mar 94*

[Report on Guatemalan President Ramiro de Leon Carpio's official visit to Mexico City on 15 March; from the "24 Hours" newscast; passages within quotation marks are recorded]

[Excerpt] [passage omitted] In the afternoon, President Ramiro de Leon Carpio met with Mexican Government Secretary Jorge Carpizo and Commerce Secretary Jaime Serra Puche. Later at a local hotel, he met with reporters and admitted that Guatemalan rebels could have provided guidance and weapons during the Chiapas conflict.

[De Leon] "Just today, we spoke with President Carlos Salinas de Gortari about the possible involvement of Guatemalans or other foreign nationals in the January events. As the defense minister has already said, we cannot deny that possibility."

During a dinner hosted by the Mexican leader and his wife to honor Guatemalan President Ramiro de Leon Carpio and his coterie, President Salinas said economic development is a guarantee for peace.

[Salinas] "This is why it is important to maintain peace as an asset of unbreakable unity and a requirement for civilian coexistence. For Mexico and all Latin American countries, peace with justice is our most valuable heritage."

President De Leon Carpio was optimistic about signing a peace agreement thereby concluding three decades of war between the Guatemalan guerrillas and the Army.

[De Leon] "The conflict is such that it has hampered any possibility of growth and impaired all efforts of moving more swiftly toward sustained and sustainable development."

Mexican cabinet members and the Guatemalan delegation also attended the dinner offered by Mr. and Mrs. Salinas de Gortari in honor of the Guatemalan president and his wife, Maria Eugenia Morales de Leon Carpio.

### Discusses Commercial Ties With Salinas

*PA1603201694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 16 Mar 94*

[Report by Jaime Guerrero from the "Early Morning" newscast]

[Text] At a state dinner honoring Guatemalan President Ramiro de Leon Carpio, President Carlos Salinas de Gortari affirmed peace is essential in Mexico and all Latin America to ensure development, economic development, and civilized coexistence.

[Begin Salinas recording] There is no possibility of development without peace. That is why it is essential to protect peace as an unbreakable value of unity, as a requirement for civilized coexistence. [end recording]

Guatemala has experienced 30 years of violent confrontation, and Mexico experienced a social outburst in Chiapas State. The Mexican president said peace and social justice constitute the best legacy to future generations of the region. De Leon asked the Mexican people for their solidarity so his country can finish the peace and reconciliation process this year, a process under negotiation in our country. De Leon commented on the painful reality of underdevelopment, mainly among Indian groups.

[Begin De Leon recording] This way, it is clear a gap exists between Indian and ladino sectors, with the former experiencing the worst educational, economic, and political indexes. [end recording]

The anthems of the two countries set the tone of the official reception. In the National Palace central courtyard, the two presidents spoke in favor of giving a new boost to economic and political relations.

[Begin De Leon recording] We came to promote cultural, economic, and social cooperation, and to agree on the grounds for an equitable commerce accord. [end recording]

The two governments issued a joint communique pledging to make the fund for the development of Indian peoples operational soon.

### President Signs Freedom of Speech Declaration

*PA1503220994 Mexico City NOTIMEX in Spanish 2113 GMT 12 Mar 94*

[Text] Mexico City, 12 Mar (NOTIMEX)—Mexican President Carlos Salinas de Gortari signed the Hemispheric Declaration on Freedom of Speech today at the end of a meeting with Latin American, U.S., and Canadian journalists.

After receiving a group of representatives to the Hemispheric Conference on Freedom of Speech, Carlos Salinas de Gortari reiterated his strict support for freedom of the press and emphasized the importance that the media have in modern society. During the meeting held at the presidential residence, the Mexican president said a free media helps the government to respond better to citizens' demands. He noted that criticism and freedom of speech in the media contribute to better decisions in favor of society with the rapidness and timeliness demanded by the people.

Those who attended the event included, among others, Jose Carreno Carlon, media director of the Presidency; Alejandro Junco de la Vega, REFORMA newspaper; and Claude Erbsen, Associated Press of New York.

### Canadian Consul Cited on Bilateral Trade Figures

*PA1503183294 Mexico City EL FINANCIERO in Spanish 14 Mar 94 p 29*

[Article by Armando Torres]

[Text] Monterrey, Nuevo Leon, 13 March—Trade between Mexico and Canada surpassed 4 billion Canadian dollars in 1993. Ian Burchett, Canada's consul in Mexico City, said that the goal for 1994 is to even out the trade balance.

Currently, Canadian imports from Mexico are greater than its exports. However, Burchett noted that the interest showed by over 5,000 Canadian companies to do business with Mexicans within the framework of NAFTA will encourage Canadian exports.

Burchett told EL FINANCIERO NORESTE EMPRESARIAL that investors are conducting a huge advertising campaign in Mexico to increase their exports since Mexico stands out as Canada's leading commercial partner in Latin America.

Figures provided by the Canadian Consulate in Monterrey reveal that Canadian exports to Mexico from January to November 1993 amounted to 714,254,000 Canadian dollars compared with 710,298,000 million for the same period in 1992. For that same period, Canadian imports reached 3,289,591,000 Canadian dollars while they reached around 2,542,320,000 dollars during the same period in 1992. These figures reveal that the Canadian trade balance with Mexico has followed a positive trend.

In 1991, Canadian companies exported some 500 million dollars [as published] to Mexico while Canadian imports from Mexico were in the amount of 2,833,687,000 Canadian dollars. The Mexican market has been a priority for Canada, vis-a-vis other Latin American countries, even before implementation of NAFTA.

## PRI's Colosio Calls For Investment Reforms

*PA1703014294 Monterrey EL NORTE (Foreign Edition) in Spanish 14 Mar 94 p 1A*

[Report by Zenon Escamilla and Georgina Solis]

[Text] While explaining his economic program yesterday in Nuevo Leon, Luis Donaldo Colosio Murrieta promised to seek new trade agreements with other regions, as well as to review and reform those circumstances that hinder national and foreign investment.

During a meeting with local businessmen and former ITESM [Monterrey Institute of Higher Technology] students, the PRI [Institutional Revolutionary Party] presidential candidate promised to consolidate economic stabilization and modernization, as well as to promote capital investment as a core goal of his economic program.

"The goal is to offer investors sufficient competitive conditions on an international level—conditions that include favorable capital expenses, fiscal incentives, government regulations, infrastructure, and support in attracting human resources and technology."

In an address lasting more than 35 minutes, which was interrupted on nine separate occasions, Colosio Murrieta asserted that to achieve growth it is first necessary to consolidate macroeconomic stability while encouraging competition and microeconomic efficiency.

"I am deeply convinced we are at the dawn of a new phase of economic growth," Colosio Murrieta said.

According to the PRI presidential candidate, his program is designed to steer the economy in a steady, clear, and planned manner to achieve the fundamental economic development the country expects.

"I am determined to consolidate economic stabilization and modernization, and this will benefit every Mexican household, guarantee low inflation, preserve fiscal responsibility, and encourage structural changes."

He said his social program will face some of the most significant hurdles, because he is seeking to create more health, education, housing, and nutritional programs for the people, especially for Mexico's children and younger generation.

He called for sustained, shared, and balanced growth that will take into account environmental concerns before opening investment opportunities in Mexico. He also endorsed the promotion of domestic and foreign savings to spur investments.

Colosio also said he believes it is important to confront inequalities: "I have witnessed financial irresponsibility while millions of Mexicans were searching for productive employment. Financial irresponsibility is gone forever, never to return."

Participants in the event, which began at 1445, included Mr. Eugenio Garza Laguera, president of the ITESM Teaching and Higher Research Board of Directors, and his wife Eva Gonda de Garza Laguera. Also present were businessmen Alberto Santos de Hoyos, Eugenio Clariond Reyes, Javier Garza Sepulveda, Enrique Regules, and Alfonso Ramos, all of whom welcomed the PRI candidate.

At the start of his address, Colosio Murrieta stated that during his arrival in Monterrey he was reminded of his university years, and he fondly recalled Mr. Eugenio Garza Sada. He noted it was in Monterrey that he first seriously reflected on the economy. Nearly three decades later, he said, he can honestly say it was a privilege to study at ITESM.

Alfonso Ramos, one of the organizers of the event, said all of the participants pledged support for the PRI candidate. At the conclusion of the event, the PRI candidate received a small statue of a lamb—the ITESM symbol.

## Guatemala

### President Declares Strike Resolved, Departs for Mexico

*PA1603232594 Guatemala City Teleonce Television in Spanish 1900 GMT 15 Mar 94*

[From the "Telepress" newscast]

[Excerpt] President Ramiro de Leon Carpio today began an official two-day visit to Mexico amid agitation among public workers, despite an agreement the president himself signed with a group of government workers yesterday afternoon. The agreement between the government and the National Federation of Public Employees Unions, Fenasep, establishes wage increases of between 100 and 120 quetzales through a so-called emergency bonus program. The agreement also establishes Fenasep's inclusion on the Wage Policy Commission—a strategy designed to bolster consumer protection and to make government services more efficient.

President de Leon Carpio referred to this agreement in a news conference at the airport this morning, minutes before leaving for Mexico.

[Begin De Leon recording] The government has nothing more to discuss in light of the fact that yesterday it signed an agreement that ends the strike, which was clearly illegal and even criminal in nature because it did not meet the legal requirements for declaring a strike. From this moment onward, the government declares that the problem has ended. Perhaps the most important point in yesterday's agreement, aside from the actual point of contention, is the pledge by both sides to make changes.

The agreement itself reads: The government of the Republic promises to guarantee the enforcement of the Consumer Protection Law. Both sides have agreed on the need to review the government's current organizational structure to make it more efficient and thereby offer an effective response to the needs of the Guatemalan people. In view of Fenasep's need to implement more consistent general policies, from this date onward—in other words, yesterday—Fenasep is joining the government team on the Wage Policy Commission. This is being done in an effort to establish a framework that will define wage policies on a continuous basis and not just when the need arises.

This means that the agreement that has been signed not only resolves this problem, but from this moment onward, both sides will sit at the negotiating table to review the state employment structure. If through these talks we see an opportunity to increase wages to bolster efficiency or because we encounter a reduction in the number of state workers, we can change wage policies at that time. This will be a result of the review process.

We can say with satisfaction that the strike ended today, just as the media has announced. Any further job action will be considered illegal. Just as illegal acts were controlled yesterday, some of which were carried out by criminals, the same holds true today under acting President Arturo Herbruger. As of today, all public administration should be working normally in light of the fact that the government has accepted the emergency bonus, whose cost can be covered without affecting the Guatemalan people. [end recording] [passage omitted]

### National Police Open Finance Ministry Doors

*PA1603220494 Mexico City NOTIMEX in Spanish 1812 GMT 15 Mar 94*

[Text] Guatemala City, 15 Mar (NOTIMEX)—The National Police intervened today at the Finance Ministry offices, opening the doors of an institution whose employees have been on strike since 14 March demanding a salary increase. President de Leon Carpio issued the order today before leaving for Mexico on a two-day official visit, during which he will meet with Mexican counterpart Carlos Salinas de Gortari.

The National Police also plan to intervene in the next few hours at the courts of justice, the Supreme Court, and attorney offices, the employees of which have been on strike since 11 March, demanding a 40-percent salary increase.

Public security agents have been posted at the main gates of the Finance Ministry to keep them open and to allow entry for people who want to pay their debts to the Treasury.

Last night, de Leon Carpio signed an agreement with the National Federation of Public Employees Unions to establish a monthly bonus for public employees of 110 quetzales, or the equivalent of $17.

The largest unions in the country, such as the Workers Unitary Organization [IUT] and the National Federation of State Workers Unions [Fenasteg], did not sign the agreement. IUT and Fenasteg proposed that the salary increase amount to 300 quetzales, or $52, which the government rejected on the basis that it does not have enough funds to give public employees a salary increase. Public employees earn some $82 a month.

### World Bank Official Affirms Loan Disbursement

*PA1503140194*

[Editorial Report] Guatemala City SIGLO VEINTIUNO in Spanish on 10 March, page 6, reports that, on 9 March, Claudio Sapelli, World Bank official on a two-week visit to Guatemala, affirmed that the International Bank for Reconstruction and Development will make its third loan disbursement during the second half of 1994. Guatemala has already received $48 million of the $120-million loan for the Economic Modernization program.

## Honduras

### Economy Minister Signs GATT Membership Protocol

*PA1503190494 Tegucigalpa LA TRIBUNA in Spanish 11 Mar 94 p 12*

[Text] Honduras yesterday officially signed in Geneva, Switzerland, the GATT membership protocol to become a contracting party after two years of difficult negotiations.

From Geneva, Economy and Commerce Minister Dalmer Urbizo Panting, after signing the GATT protocol, reported the ceremony was held in the presence of 26 GATT contracting countries. "For Honduras, the signing of this protocol represents a historical event of great importance, which concludes a long, intense, and sustained campaign to transform and strengthen the economy's external sector," Panting noted.

With the signing of the membership memorandum, it is now up to Congress to ratify Honduras' GATT membership. On 11 April, at the latest, the country will become a contracting party.

Additionally, Panting reported that he met with representatives of the Intellectual Property Office in Geneva, where techniques were established to create a similar office in Honduras. He added that the way in which this organization will cooperate with our country in different areas was analyzed in order to establish an adequate framework for international investments.

## Nicaragua

### Vice President Comments on Watson Visit

*PA1703044394 Managua Radio Corporacion in Spanish 1500 GMT 16 Mar 94*

[Interview with Vice President Virgilio Godoy by unidentified reporters at the Radio Corporacion studios in Managua; date not given; from the "0900 Surprise" program—recorded]

[Excerpts] [Reporter] Dr. Godoy, thank you very much for accepting Radio Corporacion's invitation. We have many questions in the wake of Mr. Alexander Watson's visit. Certain political factions are very concerned over the way this gentleman has referred to the Nicaraguan situation. He said Nicaraguans must resolve their own problems. In an interview with us, Luis Sanchez Sancho [secretary general of the Nicaraguan Socialist Party] indicated that this gentleman apparently is obsessed with the Sandinists. This is very discomforting. How did your talks with Mr. Watson go?

[Godoy] I would say our conversation was quite ordinary. Of course, it was characterized by the simultaneous discussion of a number of problems. Specifically, the assistant secretary of state talked about what he and his government deem to be a special or key concern—namely, that Nicaragua is giving no sign of resolving its problems or starting to resolve them, and that there is no evidence of any progress. Nevertheless, Watson did not give an opinion as to the reasons behind this delay in finding solutions.

We discussed various issues, many of which focused on economic matters, but finally, after a generally broad analysis, it was concluded by both Watson and those who accompanied him—namely, Mr. Hamilton and Ambassador Maisto—that political issues are at the heart of our crisis. This is because there is no other way to explain why Nicaragua has failed to show any growth, even though it has received more economic and financial aid than Panama and El Salvador combined within the same timeframe. Moreover, there are no signs of improvement on the horizon, because there is no evidence that this year will be any different from previous ones.

The idea that Nicaraguans should resolve their problems by themselves was again stressed, because there is a clear downward trend in international financial aid, especially aid coming from North America. Therefore, if we fail to take advantage of the aid being offered now, it will be even more difficult to find solutions in the future.

I told Mr. Watson that the U.S. decision of not meddling in Nicaragua's internal affairs was very appropriate. I hope, however, that this will prove to be true, because it is one thing to say the United States will not meddle, while it is doing just that in various forms. As I said, it is one thing to say: Solve your own problems, but what is advisable for you to do is such and such, while...

[Reporter, interrupting] That is one way of intervening.

[Godoy] What is their position then? This is their position on our efforts to resolve our own problems from a Nicaraguan vantage point, with Nicaraguan resources, and with Nicaraguan solutions.

I think we had a very lively conversation. Every possible solution and the need to find solutions for the country were discussed. We cannot figure out where to start because all of the options or paths that have been explored have virtually failed, including the path of dialogue, which was frustrated by an executive branch decision.

Moreover, the UNO [National Opposition Union] majority in the National Assembly was also broken by an executive branch decision. The executive branch is incompetent. It does not know how to, has not been able to, and has not wanted to efficiently manage those resources placed at its disposal. We are talking about several billions of dollars—not about old cordobas [chancheros], but billions of dollars. The government even increased Nicaragua's debt. This government inherited a debt of about $12 billion, some $5 billion of which was forgiven, and yet we now owe about $13 billion. In other words, we will be heavily in debt by the

time this government finishes its term, and, in turn, we will be less capable of correcting the situation.

We discussed all of these issues with Mr. Watson. We spoke with absolutely frankness. I told him that it is not only important for the United States to refrain from intervening, but that it is also important that it not view things solely from a U.S. perspective, because, for example, he mentioned to me his extreme concern over U.S. property that has not yet been returned. I told him: You are right, but Nicaraguans are not interested in U.S. property; we are interested in the return of the property of many thousands of Nicaraguans. This is part of the strife were are experiencing. This is what is behind the lack of trust in the country. I noted that this has caused the government to loose credibility very dramatically. Finally, the most disturbing result from all of this is that the country has come under an enormous cloak of juridical uncertainty.

Therefore, nobody wants, desires, or expects to invest here, because they think we do not have adequate conditions, considering that our government fails to deliver on its promises out of sympathy for or fear of the Sandinists, and I pointed this out to Mr. Watson. This is our reality. The country is adrift, and it cannot find a starting point for resolving its problems.

[Reporter] Dr. Godoy, was it brought up to you... [pauses] Did you bring up the issue of human rights in this country—the murder of more than 250 Nicaraguan Resistance members and crimes that have never been solved, such as those involving Bermudez and Jean Paul? In fact, a report issued by the U.S. State Department was based on human rights violations in this country.

[Godoy] We did not touch on this directly, but it was indirectly discussed in the context of an exchange on the judicial branch's lack of credibility. In other words, our judicial system is not meeting the expectations of a true de jure state. In turn, this does not help people feel safe and secure. I said to him: If you asked your ambassador in Managua about the long lines of people at the consulate applying for visas to travel to the United States, you would certainly be told that people are again arriving there in the early hours of the morning and standing in long lines in an attempt to get a visa to go to the United States. Why is this? Because the country has failed to provide the conditions to keep people here.

We quickly reviewed this situation because not much can be done in one hour, which is how long our meeting lasted, but we did discuss all discussable issues. We also talked about the problems the government has created for itself. I told him there are black holes in the government that nobody can explain; nobody knows what has happened.

A case in point is Cornap [National Corporations of the Public Sector]. The government has spent three years privatizing it, but nobody knows what criteria was used, nobody knows the results of this privatization, and there is no reliable report; there is nothing. This is the only country that dishes out money in its privatization process. It is an extremely poor country, one of the poorest, and yet it dishes out millions of dollars to privatize. The buyer of a state-owned company or property not only gets the property for a song—and, indeed, influence-peddlers are involved here—but he also receives millions to start a new life.

All of these things fail to help clarify the situation in any way. As I told Romerito [not further identified], on 15 March, I think, they are about to implement the social mobilization plan to fire 15,000 state employees, because the size of the state must be reduced. Nevertheless, it happens that some are being fired while others are being hired. This government started with 11 ministries, but now there are 14 of them. There has been a permanent string of lies. [passage omitted]

[Reporter] What does Mr. Watson think about the Army?

[Godoy] He indicated to me that President Chamorro promised that General Humberto Ortega will leave the EPS [Sandinist People's Army] this year. Is this enough? No, it is not. This is what we have been saying for some time. In a way, the Army has become its own state; it is not within the state, but above the state. Such a situation would not be favorable anywhere in the universe.

There must be a review to ensure that—if indeed this institution, which produces nothing more than expenses for the country, should continue to exist—then it should be strictly subordinated to civilian power. It should be subordinated to civilian power, otherwise, the game will continue. We will pretend to be doing something that is not being done. This is a double standard that has created confusion in the country, which has taken away trust in it, and that has deprived the nation of juridical certainty. This has helped create the stagnation we have been facing for so many years. [passage omitted]

## Sandinist Leader Decries U.S. Human Rights Report

*PA1703032994 Managua Canal Cuatro Television in Spanish 0400 GMT 16 Mar 94*

[Report by Lucy Castillo from the "Extravision" newscast]

[Text] Alexander Watson, U.S. assistant secretary of state for inter-American affairs, is in Nicaragua to gather information, not to discuss issues that are strictly Nicaraguan internal affairs. This statement was made by National Assembly President Luis Humberto Guzman. Guzman explains Watson's visit by saying he is in Nicaragua on a fact-finding mission.

This morning, Watson met with the leaders of the political parties in parliament, with the exception of UNO's leaders, and with the president of the legislative branch.

Sergio Ramirez, the leader of the Sandinist National Liberation Front's [FSLN] legislative representation, characterized the U.S. State Department's report on human rights in Nicaragua as being biased.

[Begin Ramirez recording] I told him the human rights report looks like an expression of an ingrained antagonism I think should be expunged from the relations the United States maintains with the sector of Nicaraguan society represented by us Sandinists. In many ways, this report is anti-Sandinist and biased. [end recording]

Contradicting the human rights report, Watson reported in his speech at the U.S.-Nicaraguan Chamber of Commerce that the Clinton administration acknowledges the Sandinists comprise a legitimate Nicaraguan political force, which maintains all of the rights and responsibilities granted to every political party.

In response to a reporter's question, National Assembly President Luis Alberto Guzman said internal Nicaraguan affairs must only be discussed among Nicaraguans.

[Begin Guzman recording] We mentioned the constitutional reforms issue, but I insisted that we discuss these issues with the understanding that these are strictly Nicaraguan affairs. In no way did I request counsel or recommendations on what we should do in terms of such issues. These matters were discussed as a courtesy afforded to any foreign visitor, but I insisted that this would not be done in any way to solicit opinions or counsel on what we, the Nicaraguan people, should do. I truly understand that these are matters that concern us, the Nicaraguan people. [end recording]

This evening Watson met socially with various national political, social, and economic leaders.

## Sandinists Want Country To Leave Neoliberal Path

*PA1703040394 Managua BARRICADA in Spanish 14 Mar 94 p 12*

[Text] Yesterday, after meeting for seven hours, the Sandinist National Liberation Front [FSLN] Assembly called for immediately and radically changing the country's neoliberal economic course. The FSLN ratified the position that it "cannot endorse any agreement" with the characteristics of the Enhanced Structural Adjustment Facility [ESAF], a position that had already been presented to IMF Director Michael Camdessus.

The FSLN communique affirms that "the nation cannot resist an adjustment plan like the one being planned." The communique also backs the demands of ranchers, businessmen, industrialists, and producers who want policy changes in favor of production.

Originally convoked to discuss preparations for the FSLN Special Congress, the assembly dedicated a lot of time to analyzing the wave of massive evictions of humble families throughout the country and condemned the government and the Judicial Branch for the grave social consequences that these abuses will have. The assembly also supported the resistance that the Communal Movement has promoted against the evictions and urged the National Police not to lend themselves to unjust actions against townspeople.

The Sandinist Assembly stated its backing for the work the Sandinist bench at the National Assembly is carrying out in favor of the Legislative Branch's independence and rejected the report that the U.S. State Department drafted on the human rights situation in Nicaragua, considering the report to be "biased and meddlesome."

Regarding the organization of a special FSLN Congress session, the assembly confirmed that the session, which has been named Augusto Cesar Sandino—for Sandinist Unity—will be held on 20, 21, and 22 May.

The Sandinist Assembly authorized department organizations to elect, as guests to the FSLN National Congress, a number of militants equal to 30 percent of the delegates to that congress. These guests may speak but have no vote. Of them, 50 percent must be women, and 50 percent must be between 16 and 25 years old.

The FSLN will consult the National Council of Political Parties on the possibility of filling the vacancies left by deceased Congress members.

The document "vehemently asks that public debates between Sandinists be free of insults and personal caustic remarks" and urged party members to accept and abide by whatever decisions are adopted by the majority at the Congress.

Regarding electoral results in the Atlantic coast, the Sandinist Assembly accepted as valid complaints local Sandinists have filed because of the late delivery of material and economic support for their campaign. The Sandinist Assembly admitted that "the failure to adequately resolve political responsibilities in the Atlantic Coast" is an error of national FSLN organizations. The Sandinist Assembly especially acknowledged the work carried out under adverse conditions by the Sandinists on the coast, work that permitted the FSLN to emerge as "a decisive political force in both autonomous regions." The FSLN has backed the Atlantico Norte Sandinists' decision to convoke a coastal unity government tasked with struggling for full autonomy in the Atlantic Coast and extended an offer to the Atlantico Sur forces.

## FN-3-80 Northern Front Stops Disarming

*PA1603190394 Managua Radio Sandino in Spanish 1200 GMT 16 Mar 94*

[From the "Events" newscast]

[Text] El Chacal no longer wants to surrender his weapons. Yesterday, the 3-80 Northern Front [FN-3-80], headed by Jose Angel Talavera better known as El Chacal, decided to stop surrendering its weapons. El Chacal's decision was his response to the government

minister's announcement that the government has limitations to granting the economic benefits the rebel leader is demanding. El Chacal is asking for 3 manzanas of land for each man who surrenders his weapons. The government, however, is offering a small piece of land where a house can be built. At present, El Chacal's forces consist of 250 men who have weapons ranging from AK rifles to surface-to-air missiles. Following the announcement on the suspension of the disbandment of El Chacal's forces, the government began a series of actions to maintain talks with the FN-3-80.

## Panama

### Assembly Legal Adviser Cited on DEA Operations

*PA1603210994 Panama City EL SIGLO in Spanish 16 Mar 94 pp 1, 57*

[Report by Roxana Rodriguez]

[Text] Jesus Sierra, the legal adviser to the Legislative Assembly Drug Committee, has reported that the DEA operation to uncover an alleged Panama-based drug trafficking and money laundering organization was geared to finding and seizing foreign exchange offices, credit companies, stock market operations, and [legal] offices that formed private companies in our country through letters of credit.

After gathering information on the alleged participation of Panamanian citizens in this criminal case, the legal adviser reported to the legislators on the Drug Committee and said no government official is involved in this case up to now. Jesus Sierra said the investigation, which according to U.S. federal agencies began more than two years ago, has not concluded and added that no Panamanian Government official appears to be involved in the case under investigation.

He emphasized that the DEA operation, which discovered the drug trafficking and money laundering organization in Panama, worked to find and seize foreign exchange offices, credit companies, stock market operators, and [legal] offices that formed private companies in our country through letters of credit to find out if they were involved in criminal activities.

Sierra said the DEA has a solid and strong case and has not yet concluded its investigation. Thus, he said, we will have to wait until the investigation ends to determine whether government officials have participated in those illegal activities.

Concluding, the official reported that he is preparing a file on this notorious case containing all the information he gathered during his trip to Tampa, Florida.

Jesus Sierra also gave information on Legislator Anel Ramirez, who is held in a Tampa jail on alleged drug trafficking charges. He said Ramirez had changed lawyers and appointed Richard Everst as his legal representative in the trial against him which will start in April.

## Argentina

### Menem Denies U.S. Pressure on Patents Bill

*PY1603221194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2023 GMT 13 Mar 94*

[Text] Buenos Aires, 16 Mar (NA)—President Carlos Menem said today that the United States "wants the patents rights bill to be approved but is not exerting any kind of pressure" on the Argentine Government. He again exhorted Congress to discuss the bill because "it will open the possibility for us to join NAFTA."

Menem recalled that Argentine officials "discussed the issue with the Bush administration" and that the bill has been in the Argentine Congress "for more than two years," so there should be some news about it during the current congressional period.

The Argentine president denied there is "concern in the United States" over the declaration of free zones approved last night by the Argentine Senate. He attributed "the pressure" on this subject "to the provinces, which urgently need to reactivate some zones within their territories."

Menem also mentioned the possibility of sending a new group of Argentine military men to the former Yugoslavia. He said: "A decision has yet to be made. Only conversations have been held for the time being."

Menem said: "Argentina cannot be absent, considering the petition by the United Nations to preserve peace in places where our 'Blue Helmets' may be useful. We are speaking of professionals, officers, and noncommissioned officers, who voluntarily accept the call."

The president told a radio station that he is aware that the place where the confrontation between Serbs and Croats is taking place "is a high risk zone," but pointed out that "Argentine military men are prepared for a situation of this kind and do not go there by obligation, as it happens with other 'Blue Helmets' from other parts of the world."

Regarding the Argentine proposal to create a "White Helmets" force to combat hunger in the world, Menem said U.N. Secretary General Butrus Butrus-Ghali may officially present the project to the U.N. General Assembly.

Menem added that he has "spoken to practically every" president on this subject, "even with the pope who expressed great interest."

Regarding his decision to shorten the sentence of former Deputy Norberto Imbelloni—who is serving a sentence in the Villa Devoto penitentiary for simple homicide—Menem said: "This is normal whenever a convict shows good conduct."

"It is applied at a national level, including the provinces. It is the reduction of a sentence, not a pardon, owed to the good conduct and work demonstrated by the convict so that he may rejoin society," Menem said.

### Paper Notes Pressure for Patents Law

*PY1703032994 Buenos Aires CLARIN in Spanish 16 Mar 94 pp 18, 19*

[Text] Through Law No. 48 in the second half of the last century, Argentina decided there was no need to patent medical products because it was believed to go against public health then. That prohibition against patents did not prohibit a drug's inventor from registering the intellectual property under his name, but it did prohibit exclusive commercial exploitation.

This did not prevent, through the years, the installation in the country of many U.S. and European laboratories that included the main discoverers of new drugs. National laboratories appeared along with them that took advantage of or copied the formulas.

The status quo was accepted through the years but pressure increased recently to change Argentina into a country of "patents." In this regard, former U.S. Ambassador Terence Todman and former U.S. Trade Representative Carla Hills warned Buenos Aires that it had to make drastic decisions in an area where there are many interests. In mid-1991, Foreign Minister Guido Di Tella publicly admitted that "without a medical patents law" there would be reprisals from the United States.

One year ago, early in 1993, the government sent a bill to Congress in support of patents. The bill did not succeed in the Chamber of Deputies' Industry Committee because it was conditioned on the United States making concessions on agricultural subsidies that hurt Argentina. The government withdrew the bill but it sent it back through the Senate.

Meanwhile, the national industry began to change its position. It was no longer "100 percent against patents." It admitted patents based on negotiations and agreement.

U.S. Ambassador James Cheek, who replaced Todman, said that when he arrived one of the main objectives of his diplomatic mission in Argentina was to get a patents law, and that he would not stop in this effort. The upcoming visit of U.S. Vice President Al Gore will add heat to that boiler.

#### Pressure

U.S. Trade Representative Michael Kantor and President Carlos Menem met casually in Chile on 11 March, the day Eduardo Frei was inaugurated.

It was a "heavy" meeting without much preamble. Kantor urged Menem for the approval of a patents law. Kantor was only careful with one detail: To maintain the difference in rank with the Argentine president, he said "Clinton told me ..."

On 15 March, CLARIN had access to a note the U.S. pharmaceutical industry sent to Kantor demanding that sanctions be applied on Argentina for delaying the patents law. The note is dated 18 February. The Kantor-Menem meeting was on 12 March [date as published]. And the conclusion is obvious: The U.S. trade representative took into account the note sent by the U.S. pharmaceutical industry.

**Super 301**

The sanctions requested by the U.S. pharmaceutical industry against Argentina have a background in 1989, when that U.S. industry demanded the application of Resolution No. 301.

This regulation allows the White House, when its verifies "unfair competition" in countries that trade with the United States, to include them on the list of nations to be sanctioned.

The mechanism, recently refloated by President Bill Clinton to threaten Japan, emerged from the 1988 trade law (after persistent lobbying by protectionist and free trade interest).

Although former President Ronald Reagan accepted the decision it received a two-year grace period.

In 1990, "Super 301" was shelved, but due to the dispute with Japan, Clinton revived it and the U.S. pharmaceutical industry wants it used against Argentina.

## Butrus-Ghali Asks Menem To Sign NPT

*PY1603160394 Buenos Aires LA PRENSA in Spanish 15 Mar 94 p 2*

[Excerpt] UN Secretary General Butrus Butrus-Ghali yesterday requested of President Carlos Menem that Argentina and Brazil expedite their support for the Nuclear Nonproliferation Treaty [NPT], and also praised the Argentine Government's efforts and constant willingness to send peacemaking forces to conflict regions.

Butrus-Ghali said that Argentina has become a leading country in Latin America and, despite his request, noted the efforts it has been making to ratify the nuclear weapon nonproliferation treaty. Menem, in turn, promised to hold talks with Brazil to this end.

This information was disclosed by Media Communications Secretary Raul Burzaco at the conclusion of the meeting held between Menem and Butrus-Ghali at Government House.

According to Burzaco, Menem and Butrus-Ghali never discussed the possibility of sending 200 Argentine servicemen stationed in Croatia to Bosnia. [passage omitted]

## Bolivian President Arrives, Talks With Menem

*PY1603235894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1902 GMT 16 Mar 94*

[Text] Buenos Aires, 17 Mar (NA)—President Carlos Menem and his Bolivian counterpart, Gonzalo Sanchez de Losada, today analyzed, among other subjects, the probable granting of Argentine credits for environmental sanitary projects on the common border area between the two countries for the purpose of preventing the spread of cholera, the situation of illegal Bolivian immigrants in Argentina, the struggle against drug trafficking, and the projections of Mercosur [Common Market of the South].

Sanchez de Losada today arrived in Argentina on an official 48-hour visit with the objective of signing an agreement on plant and animal sanitary controls and an agreement on investment promotion and guarantees.

President Menem and Foreign Minister Guido Di Tella received the Bolivian president at 1020 today in Metropolitan Airport's military section.

After the welcoming protocol, City Council President Juan Trilla, from the Radical Civic Union, gave the Bolivian chief of state the keys to the city.

During a brief news conference after the ceremony, Sanchez de Losada said one of the subjects he would discuss with Menem is the situation of some of his fellow countrymen living illegally in Argentina.

He added: "The control of drug trafficking is very important, and with the aid of Argentina and the international community we will be able to stop this problem."

As for the possibility that Bolivia will join Mercosur, the Bolivian president said: "We want to come close to Mercosur because we are part of the Amazon Basin," adding that "our future depends on exchange with the region's countries."

After making these statements, Sanchez de Losada departed for Alvear Palace Hotel, from where he headed to Casa Rosada, where he held his first working meeting with Menem.

After the meeting in Government House, the two presidents went to San Martin Palace, where Menem held a lunch in honor of his guest.

The Bolivian president had anticipated that during his visit to Argentina he would talk with President Menem about subjects like illegal immigrants, Mercosur, cholera, and the canalization of the Pilcomayo River.

Sanchez de Losada said Argentina is, for Bolivians, "almost a second fatherland; one is always very connected with this country and thousands of Bolivians currently live in Buenos Aires," which determines "a relation of vital importance for us."

When asked whether the subject of illegal Bolivian immigrants will be discussed, he said "that will be one of the subjects we will discuss" and added that they will also discuss the canalization of the Pilcomayo River, which is "one of Bolivia's major concerns."

"The Pilcomayo River is dwindling away and it is important for Paraguay, Bolivia, and Argentina," he said.

Regarding drug trafficking control, Sanchez de Losada said: "It is a very important subject, and we will speak about the Bolivian criteria to ask Argentina and the international community for help to put an end to this phenomenon, which is something we cannot stop."

He added that the future of Bolivia "depends a lot on what is going on in Argentina, on the possibility of increasing exchange, and on a rapprochement" between the two countries.

## Japanese Deputy Foreign Minister Pays Visit

*PY1603160694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2054 GMT 15 Mar 94*

[Text] Buenos Aires, 15 Mar (NA)—Japanese Deputy Foreign Minister Shozo Azuma today outlined a picture of diplomatic relations between his country and Latin American nations. He thoroughly praised the "gradual, sustained transit" to democracy and development, adding that he is confident these countries will in the short term establish strong ties with Pacific Basin and Asian nations.

During his visit to Congress, Azuma talked with NOTICIAS ARGENTINAS in perfect Spanish which, he said, he learned years ago during his stay in Mexico.

After meeting with Florencio Acenolaza, chairman of the Foreign Affairs Committee of the Chamber of Deputies, and with national Senators Juan Aguirre Lanari and Luis Leon in the Senate reading room, Azuma delivered a lecture on "Japanese policy in Latin America."

The Japanese diplomat said he "loved" Latin America. He said Argentina holds "the capital that is known as the most beautiful in Latin America, with good wine, good food, and the nicest and most sophisticated people."

During the day Azuma also met with President Carlos Menem, about whom he said that "we had a good talk; he met with us despite the fact that he was very busy."

He said he is confident that after the Argentine president's visit to Japan in December 1993 "political and economic relations between Japan and Argentina will be intensified."

Azuma gave particular praise to "the efforts to achieve democratization and to consolidate democracy under the excellent leadership of President Menem, and the results of political stability and the economic policy."

"I would also like to express our deepest respect for the attitude with which Argentina undertook the peacekeeping missions and a policy of nuclear nonproliferation," he added.

Azuma declined to give specific details of the commercial exchange with Argentina or of the support that his country has extended to Argentina in any area. However, he did so with respect to other Latin American nations in referring to the period of "the lost decade of the 1980's to the resurrection of the 1990's."

In his analysis, he emphasized the modifications made in the international arena with the end of the cold war and the East-West conflict. Upon referring to the Latin American and Caribbean nations, he said that in the current decade "they are engaged in dynamic movements like democratization, economic reforms, and the adoption of realistic diplomacies."

He said that in keeping with the new situation in Latin America, Japan hopes to "assure long-term stability, consolidate democracy and the market economy, and maintain and foment the international coordination system."

Azuma cleverly said that to attain such objectives Japan had adopted "policies that focus on the double 'D'—democracy and development—supporting and promoting democracy in the region and cooperating with economic reforms based on the principles of the market economy."

Concerning Japanese cooperation with Latin American nations, Azuma said it is "substantial" in El Salvador, to which more than $200 million was given for the national reconstruction plan and for the democratization program which will end with the elections on 20 March.

He also said his country is supporting the Nicaraguan Government of Violeta Chamorro, which up to the end of 1992 has received economic and technical cooperation worth approximately $112 million.

In the case of Peru, he admitted that with the suspension of the Constitution by President Fujimori on 5 April 1992, the double "D" diplomatic policy "faced a dilemma," but "the reforms on which the Peruvian Government was working had decisive political and economic significance in the history of Peru, and gave extraordinary results, resolving many unprecedented difficulties."

While advocating the rapid return to democracy, Japan "did not miss the opportunity of cooperating in the fair and regular elections in November," Azuma said, adding that computers and a $1 million contribution were donated and observers sent as part of OAS delegations.

He praised the results of the Peruvian economic plan, and said that it has successfully reached a growth rate of 6.5 percent, "which is the highest figure in Latin America."

Azuma admitted that in June 1993 the Japanese Government "temporarily" froze economic cooperation with Guatemala "until democracy was restored 10 days later under international pressure."

In Haiti, Japan enforced economic sanctions and demanded the return of democracy, and in April 1993 it gave $2.5 million to the United Nations to support the activities of the international mission of observers. Japan has also announced that if democracy returns to Haiti it will provide a $10 million financial contribution for refinancing the foreign debt.

Azuma finally expressed his desire that Latin American countries in the short term promote commercial and political ties with Asian and Pacific Basin countries.

## Bolivia

### CORDECO President on Tasks, Problems

*94SM0240B Cochabamba LOS TIEMPOS (FACETAS SUPPLEMENT) in Spanish 30 Jan 94 p 4*

[Interview with Alvaro Moscoso Blanco, president of the Cochabamba Development Corporation by Carlos Heredia Guzman; place and date not given: "It Would Not Be Expedient To Open Up the Oil Royalties Fund"]

[Text] At a crucial moment in the appointment of capable officials to run the institutions for development of the region, and after several months of changes without warning of its presidents, the Cochabamba Regional Development Corporation (CORDECO), as of last week, has a new executive president. Alvaro Moscoso Blanco, highly respected nationally and internationally for his brilliant works and his conference papers presented before distinguished audiences, is now at the helm of CORDECO, a company that is in critical economic shape but that has great potentialities, especially in the rural area, as well as many problems to resolve. Following are the thoughts Alvaro Moscoso has expressed to FACETAS:

[Heredia] We are five months into the term of a new administration, and the institution that you now preside over has already had four presidents. In what condition have you found CORDECO?

[Moscoso] CORDECO's situation is critical. We have found a situation without liquidity, with accounts receivable totaling over 7 million bolivianos for completed projects, unpaid by the preceding administration. CORDECO's performance is still being affected by structural organizational problems. We think the time has come to restructure and institutionalize it. We also believe that the focus of CORDECO's purposes and objectives must be reoriented. We have also found an extremely delicate situation in the PIL [Indian Liberation Party], with assets totaling not more than 25 million bolivianos and taxes owed to the state totaling over 60 million bolivianos. I believe this is CORDECO's most delicate aspect.

[Heredia] The PIL is your first stumbling block. Where is it to get the money to pay the taxes it owes to the state, knowing that the PIL is an institution that must subsidize your products for Bolivia's infant population?

[Moscoso] At this time there is no visible solution, because of the extent of the possible applicability of the SAFCO [Administrative and Financial System for Government Control] Law. The debts owed by the state to the state must be covered, especially when all the steps in this process have been followed. What we are awaiting now is a possible reply by the president of the Republic to overcome this worrisome problem for all the citizens of Cochabamba. Even a payment plan that the Directorate of Internal Revenue might offer the PIL and the corporation would place a strain on this company's capabilities.

[Heredia] What are the first tasks you have set out to accomplish within CORDECO?

[Moscoso] There are two spheres of action. CORDECO's internal sphere needs to be restructured immediately, and its hierarchy institutionalized. The restructuring will be addressed by the Social Participation Law, whereas the institutionalization will be defined by our administration. We think the institutionalization will enable us to establish a hierarchy of public-sector employees and set standards and required qualifications for service to the collectivity. We believe CORDECO must be depoliticized so as to turn it into a technical instrument for development oriented toward improving the well-being of the citizenry. The second sphere of action concerns the corporation's responses to the major problems facing the department. These problems can be boiled down to the structure of the tenancy of the land in the inter-Andean valleys, which is marked by a small-holder economy that first makes its appearance in the tropic of Cochabamba; the migration toward urban centers, which is acquiring alarming dimensions; the scant dynamism of industry from the standpoint of generating employment for these people; and the overall inability to generate employment and services for the citizenry in general.

[Heredia] You speak of institutionalizing the hierarchy of functions in CORDECO. When is this going to begin?

[Moscoso] It will begin once the Social Participation Law, which I understand is tied to the tasks of corporations, is passed. It will certainly modify the way in which those tasks are carried out. When this phase of structural reforms to be enforced by the central government is enacted, we shall enter the institutionalization phase.

[Heredia] Toward which sector will your work mainly be directed under the new approach that your presidency is proposing?

[Moscoso] CORDECO must be de-urbanized. Cochabamba poses major problems, but at the same time, it offers vast potentialities from the standpoint of natural resources. We believe we must start working in the provinces, and more specifically in the rural area, gearing the

work of the corporation to the activities of the social organizations in the rural area. In some provinces, as in the case of Mizque, Provincial Development Councils have been created that successfully integrate governmental authorities with representative organizations of civil society. This linkage has introduced a new development dynamic that is notable in the Mizque zone.

[Heredia] Two important and perhaps controversial points: oil royalties and relations with the mayoralty.

[Moscoso] The oil royalties budgeted this year total 21.53 million bolivianos. My first step upon arriving at the corporation was to request a report on the revenue the corporation has received as royalties, and I ordered the opening of a specific account for the administration of these funds. I believe the corporation and its management must administer the royalties rigorously and responsibly, drawing on the experiences of record in other departments. We think royalties must be managed in accordance with the law of 14 September 1992 devoting them principally to the implementation of the Misicuni Project. Meanwhile, it seems to me that it would not be expedient to open up the royalties fund for grabs by all the institutions. There is a request from the Cochabamba mayoralty, a prior one from the university, the Quillacollo mayoralty has spoken of its intention in this respect, as have also the inhabitants of Carrasco Province. It seems to me very dangerous to accede to these requests without the prior benefit of a specific policy regulating the administration of oil royalties. This does not mean in any way that we do not wish to work or cooperate with the mayoralty. On the contrary, I wish to make it clear publicly that I fully intend to cooperate with Cochabamba's municipality and with all the municipalities of the Department of Cochabamba. It is my obligation and we are prepared to finance funding for the municipal mayoralty, to endorse projects for their respective financing.

[Heredia] There would seem to be a degree of zeal in relation to the administering of the oil royalties.

[Moscoso] The royalties are, beyond question, the corporation's operating revenues. This is laid down in law, and it is the corporation management's responsibility, in coordination with the department's parliamentary work group, to decide the use and destination of these funds. The corporation is prepared to cooperate in this regard, but it seems to me very premature to institute a future earmarking of some 20 percent of the royalties. This could give rise to a subjugation of the administration of these funds on the basis of very justified demands, not only on the part of the mayoralty.

## Labor: Capitalization Slows Regional Development

*94SM0240A Cochabamba LOS TIEMPOS in Spanish 23 Jan 94 p A6*

[Article: "According to Labor: Privatization Plans Are Delaying Regional Development Projects"]

[Text] Railway and construction labor leaders fear that plans to privatize the state-owned ENFE [National Railway Enterprise] and ENDE [National Electricity Enterprise] companies will in effect nullify the two major projects on which the citizens of Cochabamba are counting, leaving the region frustrated and mired in a postponement of indefinite duration.

Alarm was voiced this weekend when construction labor leaders sought explanations for the government's repeated failures to advance and fund the Misicuni multiple project, which has been brought to a virtual halt, because the government considers the approximately $280 million cost of the investment impossible to finance through international institutions.

Construction labor leaders, who look to this project to provide jobs for their members, have begun to fear that the government's excuses for avoiding implementation of the Misicuni project are related to the government's plan to privatize ENDE.

"The government does not want the state-owned enterprises to incur bigger debts with the international institutions, because this could impede the auctioning or the public tender process with respect to the enterprises it is administering, such as ENDE," said COD [Departmental Workers Federation] leader Pedro Espinoza.

The Misicuni multiple project repeatedly has been declared a priority by different administrations, but none of them has succeeded in funding its implementation.

The first objective of the Misicuni project is to supply potable water to the population of Cochabamba, and to enable, as concomitant projects, the installation of a hydroelectric plant and the piping of the remainder of the Misicuni's waters to farm irrigation projects.

According to railway labor leaders, the government will take no action to obtain financing not only of the Misicuni project but of other projects as well, such as the Aiquile Santa Cruz railway interconnection project.

The ENFE is also part of the government's privatization plans, and the government therefore has very little interest in seeking financing for the railway project.

According to studies made by Sondotecnica of Brazil as consultants, the railway interconnection project would cost approximately $1 billion, although last year, a preliminary study by a Japanese mission in connection with a possible variant in the original design reduced the estimated cost to around $500 million.

"The government is gradually losing interest in pushing regional development projects, because it has other plans in mind, such as the privatization of state-owned enterprises; and seeking financing at this point in time would be prejudicial to its plans," said railway labor leader Erwin Carvallo.

Both officials indicated that other projects of regional interest are also in limbo, with little probability of implementation during the term of this administration.

"Its privatization policy is for the moment impeding any thought of financing the regional development projects," they said.

## Brazil

### IMF Backs Finance Minister's Economic Plan

*PY1703010594 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 16 Mar 94*

[Text] Finance Minister Fernando Henrique Cardoso received the IMF's support today in Washington for his economic stabilization program.

[Begin recording] [Correspondent Paulo Henrique Amorim] Minister Fernando Henrique Cardoso came to Washington to begin negotiations with the IMF on a loan for Brazil. After a long lunch, IMF Managing Director Michel Camdessus read a communique praising the Brazilian economic program, the conclusion of an agreement with banks, the fiscal adjustment cutting government spending, the privatization program, the strong Brazilian position on the balance of payments, and the liberalization of trade. The communique says the IMF promised to work closely with Brazil to defeat inflation. The implementation of the new currency, the real, could coincide with a loan for Brazil. I asked the IMF managing director if a loan would only be granted with the implementation of the real. He replied that the new monetary unit could be a powerful anchor and an important instrument for a possible loan. He said Brazil has to face the key issue of hyperinflation. Does this mean, minister, that it will first be necessary to create the real to get the IMF loan?

[Cardoso] No, it means that the IMF already considers the plan positive. We do not need an IMF loan; what we need is that positive signal to conclude negotiations with the banks.

[Amorim] Do you interpret this communique as support for your economic policy?

[Cardoso] It was expressed in that sense. He clearly said that the Brazilian Government's policy has his support. He saw the seriousness of our program. Camdessus went even further than that; he personally conveyed his support to me and I am conveying it to the president of the Republic. [end recording]

The economic team is concerned about the finance minister's political future. We have a live report by Alexandre Garcia from Brasilia:

[Garcia] The minister left Brasilia saying he is tied up with the Finance Ministry because of the economic plan. He really wants to make quite clear that despite the insistence of political leaders to become a presidential candidate, the economic plan should not be mixed with electoral goals. But today the Finance Ministry economic team said the plan's most difficult part already has been done, that the team alone can continue implementing the program in the ministry. The team said the minister can be more useful as a senator by returning to Congress to help in the constitutional reform, to do the other part of the plan to eliminate the structural causes of inflation, such as the excessive size of the state, that affect the people's pocketbooks. The economic team believes the minister, since the plan is a long-range plan, should begin to think about next year, and this is why the economic team wants the minister to become a presidential candidate, to guarantee the conclusion of the plan. Because if government guidelines are changed next January, the plan will fade away.

### IMF Accord Termed 'Political Victory' for Cardoso

*PY1603160794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Mar 94 Economic Section p B5*

[Article by Reali Junior]

[Text] Paris—The International Monetary Fund (IMF) considers negotiations with the Brazilian Government to be practically over, and it is only waiting for the arrival in Washington of Finance Minister Fernando Henrique Cardoso to sign an agreement this week. The agreement will also permit the conclusion of negotiations over payment of the total $35 billion debt owed to private banks.

In addition, the conclusion of the longest and most difficult negotiations between the IMF and a Latin American country constitutes a green light from the IMF to open within the next few months a new phase in negotiations with the Paris Club. In Paris yesterday—according to sources at the French Treasury, which is responsible for management of the Paris Club—there was no doubt whatsoever as to the final success of the negotiations. The IMF directorate had already informally passed the information on to its European members.

Cardoso last week received a phone call from IMF Managing Director Michel Candessus, who gave assurances of the successful conclusion to the negotiations. The agreement, according to the same sources, also has strong political connotations, as has been disclosed in Europe—Paris and London—because the international financial community does not want to raise any obstacles to the second stage of the Cardoso plan, or even to the possible presidential candidacy of the finance minister.

This is not the first time that organs like the IMF and the Paris Club have adopted a position of this nature. They recently favored the Russian economic reforms of President Boris Yeltsin, who was politically threatened by Communists.

The second stage of the Cardoso plan was a major economic instrument in obtaining this favorable result, but the candidacy of Cardoso was also a major political

factor. Since the plan was presented—and even if some of the measures to fight inflation and the public deficit were not as drastic as might have been expected—the prevailing trend has been to look for a solution leading to the rapid implementation of the program, evading possible obstacles that might jeopardize the minister's political position. This was prompted by concern over the probable victory of PT [Workers Party] candidate Luis Inacio Lula da Silva and a possible default on the foreign debt.

These sectors are alarmed about the position taken by the PT. The agreement with the IMF, therefore, is a major political victory for Cardoso, because it was obtained on the eve of his possibly stepping down to run for president. International financial circles expect that he will be replaced by someone who is well known and who is devoted to resolving domestic problems.

## Economic Policy Secretary Estimates Primary Surplus

*PY1603210094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Mar 94 Economic Section p B3*

[Article by Suely Caldas]

[Text] Rio de Janeiro—The public sector will have a primary surplus equivalent to 4.5 percent of the GDP in 1994, or about $20.07 billion, including revenues and spending by federal, state, and municipal governments and the Social Security service. This information was released by Economic Policy Secretary Winston Fritsch. Shortly before leaving for Washington on 12 March, where he will prepare the final agreement between Brazil and the IMF, he reported that the surplus is the figure that was agreed upon with the mission that visited the country two weeks ago. After meeting Finance Minister Fernando Henrique Cardoso on 16 March, IMF managing director Michel Camdessus should give the green light of approval for the Brazilian program, even before the IMF board makes a formal announcement. Camdessus should immediately notify the U.S. Treasury. Fristch expects that this will make the Treasury issue the bonds that will guarantee the foreign debt negotiations with foreign commercial banks, which will be concluded in April. Fristch said the primary surplus will be "strictly complied with" because the figures are "consistent and credible."

The surplus, he said, will be obtained thanks to the fiscal effort that reduced spending and capital costs, and increased revenues thanks to the fight against tax evasion. According to Fritsch, the program for the recovery of public utility rates was essential for arriving at this surplus of $20.07 billion because this recovery represented a significant improvement in the financial performance of state-run companies.

The program that Brazil will submit to the IMF presupposes that there will be currency stability, despite the fact that Fristch did not say when this stability will be accomplished. Fristch also referred to the evolution of inflation, exchange rates, interest, and spending that is burdened by interest. The surplus, he said, can become the basic source of funds for paying the interest owed by the government and for possible currency reserve increases.

## Varig Suspends Leasing Contract Payments

*PY1703002794 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Mar 94 Section 2 page 11*

[Article by Luiz Caversan]

[Text] Varig [Rio Grande do Sul Airline]—the most important Brazilian airline, and the largest in South America—yesterday announced it was suspending payments, for two months, on its "leasing" [preceding word in English] contract (rent with purchasing preference) on 50 of its planes. Varig President Rubel Thomas made the announcement in Rio de Janeiro.

Varig has grounded 80 of its planes, including Boeing and Mcdonnell-Douglas planes—50 of which are under "leasing" contracts. Thomas said the suspension of payments while contract periods and values are being renegotiated (which will be conducted by the Bankers Trust) is within the company's reorganization plan. The company has been accumulating losses since 1990. Last year it lost $380 million.

Varig pays $500 million for its planes annually. The two-month postponement will save $83 million. Thomas did not say exactly who the creditors are—mentioning only that they are Japanese, Americans, and Europeans—or how much it is owed to each. He said the payment due in March, which should have been deposited today, will not be made.

Thomas said the company has two types of "leasing" contracts: Operational contracts (with the manufacturer or its representative and includes a cash deposit), and financial contracts (the guarantee is the plane itself). Seventy percent of Varig's contracts are financial and 30 percent are operational (with deposits totaling $100 million).

Rubel Thomas said there are two reasons for "calling creditors for talks." He said the first is that currently "there is a large international offer of 'leasing' contracts, and prices have dropped significantly. We are paying prices that were agreed when rates were much higher, and we need to renegotiate."

Second reason: In 1993 Varig had revenues of almost $2.5 billion, of which only 19 percent, or $460 million, was available to cover investment costs. This is "insufficient to cover our investments," which total $500 million, Thomas said.

The Varig president said the company will delay payments for only two months. "Our domestic commitments will not be affected at all," Thomas said, adding that the 60 day period might even be reduced. "We want to conclude the negotiations as quickly as possible."

This type of maneuver is not common in Brazil, but Thomas stressed that difficulties have forced various foreign companies to renegotiate. He mentioned, among others, United Airlines, Continental, and SAS [Scandinavian Airlines System]. "Evergreen, for instance, is doing what we are doing now," he said.

"We will pay everything we owe and maintain all our commitments," Thomas stressed, recalling that during the 67 years of Varig's existence the company "always honored its commitments." Thomas said: "Negotiations will be tough but necessary. I am convinced we are doing something serious and looking after the interests of shareholders and customers."

## URV Rules for Credit Card, Utility Bills Issued

*PY1603181394 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Mar 94 Section 2 p 1*

[Text] Finance Minister Fernando Henrique Cardoso yesterday signed Resolution No. 118 allowing enterprises to issue bills, copies, and credit cards in URV's (real value units). The bills released by credit card enterprises may be issued in URV's. The Finance Ministry has warned that "there can be no price difference between the transactions made with credit cards and those made with checks or in cash."

Under the previous legislation, enterprises had to issue bills in real cruzeiros. "The resolution cancels the compulsory use of real cruzeiros in this type of document. Enterprises may use the URV, but they are not compelled to do so," Finance Ministry Economic Policy Secretariat member Roberto Padovani said.

State companies will not be allowed to collect utility rates through installments in URV's. Bills for electric power, water, telephone, stamps, mail services, and fuel purchases will continue to be issued in cruzeiros.

The copies, bills, and cards issued in URV's, even if valid for a period shorter than one month, will be paid in real cruzeiros by the URV value of the day on which the obligation comes due. Issuance in URV's will allow enterprises to exclude inflationary expectations from their transactions in installments.

Since no inflation is expected to grow in URV's, the most that enterprises can do is include a small interest rate in the sales in installments. It is as if it were the price in cash plus the interest.

Receipts issued by enterprises will continue to be in real cruzeiros. Merchandise prices will continue to be expressed in real cruzeiros. The only thing that changed is the possibility of including on a bill or copy the total value of the transaction in URV's. The receipts giving rise to a bill must be issued in real cruzeiros.

### Impasse

The lack of clear rules for the use of the URV made retailers and industrialists adopt opposing positions, while stores were half paralyzed. The day before yesterday the larger Sao Paulo supermarkets agreed on a deflation formula to orient the introduction of the URV. The proposal by retailers, which was formulated by Carrefour during a meeting that was also attended by representatives of the Pao de Acucar, Se, Eldorado, Peralta, and Tulha networks, is the following: Take the credit price set by suppliers in February, remove the 48 percent financial cost, and pay in 28 days, corrected by the URV.

With this formula, the March price list will have prices that will be 6 percent lower than the average of the last four-month period of 1993.

Industry representatives who yesterday talked with FOLHA—and who asked not to be identified—said that the proposal was "indecent." They argued that no one lends money for the industrial sector to finance its operational capital in URV's. According to their figures, the February financial cost remained below 48 percent.

Up until yesterday, the industrial and the retail sectors had ruled out the possibility of a supply shortage. Yet FOLHA learned that some products can be in short supply if negotiations are not resumed at their normal rate as of next week.

The decentralized stores of the Pao de Acucar network, which have reduced stocks, have already been authorized to restock from the deposits of the Brazilian Distribution Company, which supplies products to centralized management stores. Other supermarkets are making their purchases from wholesalers.

Carlos Eduardo Toro, of the Colgate-Palmolive company, believes that negotiations in URV will become feasible as soon as the government clarifies the taxation procedure.

"We already have a table for negotiating in URV's, but without clear rules on how taxes will be collected the table cannot be enforced," Toro said.

## Politics Delay Public Construction Projects

*PY1703004794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Mar 94 p A17*

[Article by Jose Casado]

[Text] Brazil has turned into an immense unfinished construction site. For example, there are 28 electric plants under construction with an average 10-year delay to begin operation. This includes cases of hydroelectric plants whose construction began 33 years ago, during the Juscelino Kubitschek administration, and are not even half finished.

One of the main reasons for the accumulation of the countless unfinished projects is the constant change of administrative direction as a result of the succession of governments in the presidency, states, and municipalities.

Recent research by the Secretariat of Planning and Coordination of the Presidency of the Republic (Seplan) determined the consequences of delays in 77 major infrastructure projects built in partnership with the World Bank and the Inter-American Development Bank.

They represent $21.6 billion in foreseen investments—equivalent to two-thirds of the national hard currency reserves the country currently has.

Nearly half of the projects have been under construction for more than four years, and have cost $10.5 billion so far. Their costs also have doubled.

Most of the projects have not even gone further than plans on paper, and they already have $11.1 billion of contracted loans with the two aforementioned banks. Brazil is paying fines and interest for the delays.

Political interests weigh on the definition of the construction pace of public federal, state, or municipal infrastructure projects.

The projects were chosen based on electoral interests. They are funded based on the degree of influence the suppliers of equipment and services have on the government. The result is an unheard-of crumbling of unfinished projects.

Sao Paulo State has the largest "stock" of highway projects in Brazil: Two-thirds are at a standstill and cost $2.6 billion.

In northeastern Brazil, about 150 water reservoirs have been under construction for the past 12 years to provide water in regions where the drought is relentless. Last year, Congress incorporated an additional 95 reservoirs in the National Department of Drought Control (DNOCS) budget.

Three months ago, DNOCS told the National Accounting Office (TCU) that it totally ignores about 62 of the 197 projects it is financing.

A high price is being paid for the constant change of government direction on infrastructure projects.

That is what happened, for example, in the construction of one of the main hydroelectric plants in Sao Paulo State, the Tres Irmaos. It has been under construction for the past 10 years and needs 60 percent more equipment to generate energy. It already has cost more than $2 billion.

Some plants have been under construction for more than two decades. That is the case of Cachoeira Dourada in Goias and Coaracy Nunes in Amapa. Construction started during the Kubitschek administration. According to the Seplan, these projects are not half-finished yet.

Pedra do Cavalo in Bahia has been under construction for 15 years. The last of the general presidents, Joao Batista de Figueiredo, even visited it to "dedicate" the construction of the dam on the Paraguacu River. The dam is there. But it has not produced a single kilowatt yet.

There also exist projects that make progress only during election time. The Sao Paulo subway system is exemplary: The work sites of the 15 construction companies building this project worked feverishly a year ago before the elections for mayor.

Since then, the northern subway line has been paralyzed, waiting for more money for the engineering work and, mainly, for the trains ($120 million).

The Sao Paulo government has planned its inauguration for this year when elections for president, governors, senators, and deputies will be held.

In northeastern Brazil there is the case of a great irrigation project (Araras-Norte) on which $70 million was spent to send water to farmers in the interior of Ceara State in one of the regions most affected by the drought. Its construction has been paralyzed for the past five years.

Ninety-five percent of the projects were built. But $7 million is necessary for their completion. The long delay has caused the loss of the irrigation canals before they ever sent a single drop of water to farmland in Araras-Norte.

During that period the federal government began 56 other water supply and irrigation projects in the northeast. They are all small projects, but large enough to maintain the political interests of the region as well as the highly profitable drought businesses where construction companies are building reservoirs overvalued by more than 300 percent, as verified by the TCU during its last audit of DNOCS contracts.

## Colombia

### Dossier on Valle del Cauca Drug Traffickers

*PA1203232594 Santa Fe de Bogota EL TIEMPO in Spanish 6 Mar 94 p 24a*

[Text] Prior to 1988, the man who today has "cocaine falling like rain" on northern Valle del Cauca was simply an active police officer with no rank.

[Victor Julio Fomeque] Patino, who was subsequently assigned to the Secret Police Division in Buenaventura from the F-2's [Judicial Police and Criminal Statistics Office] official garrison, began to promote a private justice squad. With the help of a police officer named Benavides, his brothers, and other police officers, Patino—against whom an arrest warrant has been issued by faceless prosecutors from Cali—became a member of the group that operated in Buenaventura under the name "Thief Killers" [Los Mata Ladrones].

Although his leadership in the "Thief Killers" gave him some clout, a different episode began his drug trafficking career.

Promoted to personal bodyguard of Captain Beltran in the Police Intelligence Service, Patino finally had the opportunity to truly demonstrate his power and courage.

Patino saved the life of Capt. Beltran by helping him to escape unharmed from an attack. The compensation was not long in coming. Capt. Beltran, connected to an important Cali drug trafficker, offered Patino the opportunity to send small amounts of cocaine "pinned" [apuntados] to shipments in which the captain participated.

This situation continued for some time until Beltran decided Patino was ready to meet their mutual benefactor, a drug trafficker whom the DEA has been trailing for years and who has always been one of the top five men in the Valle del Cauca drug trafficking organization.

The contact allowed Patino to advance from meager amounts of cocaine to up to 2 to 3 kg on the northern Valle del Cauca traffickers' route to Miami (Florida).

Patino's prosperous career, however, served to separate him from his former allies the "Thief Killers."

The new business among Patino, the police official, and the drug traffickers ended with Benavides' transfer to Bogota and his subsequent death a few months later.

A few weeks later, Patino resigned from the force and began to advance in the organization until he became an associate of two other powerful drug traffickers. The three began to ship cocaine on their own account.

Their ambition, however, exasperated the Cali Cartel's top brass, which held a meeting and decided to geographically divide northern Valle del Cauca Department among themselves and to assign routes, markets, and responsibilities.

One group was given the center of the department, and the other was assigned northern Valle del Cauca, Tulua, Salonica, Canon de Las Garrapatas (limits between Valle del Cauca and Choco Departments) and southern Risaralda Department. Still others assumed direct control over finances and the main contacts abroad.

Patino apparently was under the direct command of two chiefs of the northern Valle del Cauca cartels. He could no longer ship cocaine on his own behalf, but he was given control over and participation in all reception and shipment operations. This included several shipments of heroin made last year from the Buenaventura and Choco coasts.

There in the bowels of the cartel, Patino assumed the alias "El Quimico" or "El Papi," and in a short time he substantially reduced the cartels' dependency on Bolivian and Peruvian cocaine paste.

In turn, he promoted the expansion of plantations in various parts of Colombia and established an important coca paste processing laboratory in Tapon del Darien [Panama]. The laboratory was only a 25-minute flight from the border with Panama and an exactly one hour flight from Cali.

Two additional processing centers with the capacity to refine 500 kg of cocaine were installed near the border between Valle del Cauca and Choco on the banks of a stream that flows into the Cauca River in Saija district.

The possibility of turning Choco into a center for drug trafficking prompted Patino to illegally hire a Peruvian engineer to draw topographic maps of the area. At the end of last year, Patino was waiting for a man known in Cali as "Zapato Blanco" to provide him with false but quite realistic identification documents to conceal the Peruvian's nationality and thereby allow the man to be linked to a front company.

At the same time, Patino was putting the finishing touches on the process to introduce psychotropic and chemical substances through Buenaventura, Barranquilla, and the Ecuadoran border.

Patino's current prominence in the business is only partly due to his ability to supervise the shipping and receiving of cocaine. Patino also coordinates an impressive organization that includes a 34-ship fleet, a complex network of informers, hired killers, money launderers, cocaine trafficking contacts abroad, and several hundred business fronts.

The maritime flotilla comprises four boats; six pleasure yachts with diesel motors; two cargo vessels for transporting supplies and merchandise; and seven fishing boats with a 7-meter draft, 11-knot speed, VHF and UHF communications systems, and 72-mile radars. There are also shrimp boats and tuna fishing boats up to 1,200 tons each.

Although most of the yachts, boats, and small draft vessels currently appear in the name of individuals or of a Colombian consortium, the Valle del Cauca traffickers have been able to hide larger draft ships registered under Honduran, Mexican, and Ecuadoran flags. There is even one registered under a South Korean flag.

Patino is also an organizer of sophisticated and complex cocaine and weapons caches. Between August and September 1992, Patino arranged for the construction of a multilevel building in Valle with caches between the floors. Television cameras and sophisticated Super Bland alarm systems were hidden between the first and second floors, and false access doors constructed of steel and concrete reinforcements and operated by remote control were installed in the building.

The Prosecutor's Office, the police, and the Armed Forces intelligence services had access to information on Patino and other drug traffickers' activities.

The Prosecutors' Office had access to two witnesses, and the Armed Forces, within the framework of a weapons-trafficking investigation, had access to informers' statements.

Nevertheless, it was not until August 1993 that the Prosecutor's Office and the intelligence services turned their attention to the man whom they point out as the chief of the drug business in the northern part of Valle del Cauca.

A hired killer shot four times Captain Juan Carlos Alvarez, Armed Forces intelligence, from behind on 6 August 1993. Alvarez had been assigned to the Armed Forces intelligence network in Buenaventura; he was subsequently transferred to the petroleum port of Barrancabermeja and finally to Cartagena.

Although Captain Juan Carlos Alvarez had obtained in Buenaventura valuable information on the structure of the organizations in northern Valle del Cauca, it was in Cartagena where he saw the opportunity to bring these before the law.

A former motorcyclist, Victor Patino came to Alvarez' office in Cartagena one morning at the end of June and confirmed part of the information he had.

Realizing the information he had lacked value, Alvarez contacted the intelligence network in the Pacific. The idea was to coordinate presentation of the witness before the District Attorney's Office; this was done.

Nevertheless, the Armed Forces and the District Attorney's Office, believing they had a witness who had charges against Patino, received a bitter surprise. After making his deposition, the witness vanished.

The Armed Forces' investigation initiated in the first week of July led to another witness who disclosed how the missing witness was now back in the organization, reprimanded by Patino.

Subsequently, Alvarez was murdered on 6 August. At this time the authorities decided to establish one by one Patino's connections and those of his organization.

Thus, the state's intelligence services had identified in December 1993 five cocaine production and processing leaders; eight coordinators in the shipping of drugs via wood, frozen chicken, fuel tanks, fruits, fish, and other exports; and seven organization contacts in Caracas, Panama City, and New York, as well as 22 members of the organization's network of security and hired killers.

The Armed Forces' informers have attributed to this last group—which is comprised of former military institutions' noncommissioned officers and retired officials, police agents, former M-19 [19 April Movement] guerrillas, and even a former Tupac Amaru Revolutionary Movement terrorist—the murder of two of the organizations' links named Duran and Alzate.

Duran and Alzate, who were charged with transporting a cocaine shipment to a landing strip near Tulua, had decided to sell the drugs and say the police had seized the merchandise.

Two hired killers named Riascos and Jairo tended this account. The bodies of Alzate and Duran—with a shot in the nape and their stomachs slit and weighted with stones to prevent the bodies from floating—were thrown in the Cauca River, on the right bank at the entrance of Yotoco.

The drug purchaser, a trafficker named Perez who had been an Ochoas agent, was also sentenced to death; nevertheless, given his past, his death was less harsh.

"Arandela" [not further identified] and a man named Ordonez surprised Perez at an establishment en route to the sea. They started an argument and then killed him.

According to judicial sources the identification of the organization administered by Patino is only the tip of the iceberg of the drug traffickers' business in Valle del Cauca.

Patino's network consists of retired policemen, gunmen, and former M-19 guerrillas who were contacted by "El Quimico" after that guerrilla group's demobilization.

"NN Duran:" Peruvian, former member of the Tupamaros [Tupac Amaru Revolutionary Movement] Group, expert in handling explosives, responsible for an attack against a DEA agent in Kennedy Neighborhood and perpetrator of an attack against the Monaco Building, owned by the late Pablo Escobar Gaviria.

"Bolo Negro:" One of Patino's men of confidence and first in hierarchy in personal security. He is 1.70 m high, has a tanned complexion and brown eyes and has no upper teeth.

"Rangel:" Former professional army soldier, chief of bodyguards.

"Jairo:" Former M-19 guerrilla. He survived the sinking of El Karina, which transported weapons, in charge of settling accounts.

"Gallego:" Former policeman in charge of purchasing Israeli-made weapons and ammunition at the Ecuadoran border. He has a cervical problem.

"NN Hernan:" Former policeman, 1.90 meters high, 38 years old, gunman at Patino's service.

"Mincho:" Associate of a sports promoter, manager of a Customs agency that handles cocaine shipments.

"El Tuerto:" Patino's bodyguard and man of confidence, has an artificial eye.

"Arandela:" In charge of collecting taxes from small drug traffickers.

**National Distribution:**

"Rigos:" Ships drugs to Miami, New York, and Belgium.

"Balseros:" Two brothers who work in Buenaventura. They are in the lumber business.

"Medina:" Peruvian. Sends drugs by ships from Buenaventura.

"Alexander:" Worked with Patino in the distribution of drugs from Buenaventura to Panama until late 1992, when he decided to work on his own. Seven months later he was killed.

"Castrillon:" Since "Alexander's" death, in charge of the distribution of drugs to Panama.

**International Distribution**

"Condorcito:" Chief of distributors in Buenaventura, travels with drugs to Panama, returns with ammunition he negotiates in the Pacific.

"El Flaco:" Handles "Condorcito's" finances.

"Reyna:" Lives in New York, contact with Patino's drug traffickers.

"El Tocayo:" Lives in Europe and coordinates drug distribution in the Netherlands and Belgium.

"Navarro:" Spanish citizen, lives in New York, has quarterly meetings with Patino and Cali Cartel leaders.

**Navy: "This Is A Setup"**

Navy Lieutenant Colonel Rodrigo Quinonez, accused, along with three other officers, of organizing a network to murder 100 people including leftist and civilian leaders in Barrancabermeja, testified at the 109th Criminal Military Court last Wednesday.

The officer had requested days before that he be allowed to testify so as to clarify the reported incident.

As did Quinonez, Majors Jairo Osorio and Rafael Colon and Lieutenant Mauricio Varon had already testified. In addition, the offers have testified before investigators of the Prosecutor General's Office and the Attorney General's Office.

Even though the defense's arguments have been kept secret so far, EL TIEMPO has consulted with different judicial sources and has learned the officers have answered each of the accusations against them. They said this is a setup prepared by an organization of Valle del Cauca drug traffickers.

Former Navy Noncommissioned Officers Carlos Lopez Maquilon and Saulo Segura Palacios, for whom two arrest warrants have been issued, filed criminal charges against the colonel, the two majors, and the lieutenant at the end of last year.

The former noncommissioned officers said they had evidence Quinonez and the other officers directed a network of hired assassins that murdered at least 100 people in Barrancabermeja.

To confirm their reports, the former noncommissioned officers presented recordings of coded conversations between Navy intelligence officers.

EL TIEMPO has learned the officers told the Prosecutor General's Office, military criminal justice, and the Attorney General's Office that only drug-trafficking groups were capable of intercepting communications between high-ranking Navy officers and manipulating the tapes.

The contents of the recordings, the officers stated, did not mention illegal activities, rather, investigation activities conducted in the Pacific area.

In their statements and interrogations before regular and criminal military justice, the officers said the Navy launched intelligence plans in 1991 to control the entry of weapons through the Pacific and managed to discover several networks of drug traffickers.

**The Investigation**

Members of the Pacific intelligence network led by Captain Juan Carlos Alvarez have discovered these weapons traffickers supply the FARC [Revolutionary Armed Forces of Colombia] and ELN [Army of National Liberation] guerrilla groups, as well as drug-trafficking organizations.

Transferred from the Pacific to the Cartagena intelligence network, Alvarez contacted a man who claimed to have information on the Norte del Valle Cartel.

In exchange for a reward, this informer went to the Valle Regional Prosecutor's Office and spent four hours testifying against the leader of the drug-trafficking ring in Valle. The next day, when he should have continued his testimony, however, the witness disappeared. The witness had testified against Victor Julio Patino Fomeque. Members of the intelligence networks and the Regional Prosecutor's Office began the unsuccessful search for the witness.

Meanwhile in Cartagena, two hired assassins killed Captain Alvarez on 6 August—the day of his birthday. It was then an order for a complete inquiry came from the Intelligence Directorate in Bogota to help the Prosecutor's Office find Alvarez' killers.

The authorities' inquiries led ultimately to another Navy informer who affirmed he saw the missing witness inside a car that belonged to Victor Patino and that Patino was accompanying him. This second informer added he had proof this man had returned to the cartel.

Meanwhile, a Prosecutor's Office secret witness came to Barranquilla and identified the alleged hired assassin who had apparently been paid by the drug traffickers. The Regional Prosecutor's Office issued a warrant a few weeks later for Patino's arrest based on statements by one of his bodyguards.

EL TIEMPO has established several witnesses have stated at the Prosecutor's Office Lopez Maquilon and Segura Palacios (the plaintiffs) were offered money to testify against the Navy's intelligence officers and participate in illicit actions.

"NCO Carlos Lopez Maquilon," one of the witnesses, "on several occasions prodded me to engage in dirty deals (...) for money so we could get rich." Another witness, in turn, said "in mid-February 1993, Carlos Lopez came to Magangue as the person in charge of the network and asked me to leave this work, because he had some mafioso keeping an eye on me."

The same witness testified Lopez "asked me to go to the Prosecutor's Office to accuse the intelligence director (...) that he would take care of counseling me, and that I would make good money with the Prosecutor's Office. Finally, he told met if I did not accept it would be better if I left the institution, because he would kill me along with his people."

The two witnesses told the investigators the drug traffickers had deceived the NCOs, telling them if they declared themselves guilty the Prosecutor's Office would pardon them and give them a huge reward. According to witnesses, the people who hired the NCOs also told them that, given they had left the institution (Lopez asked to be discharged when he filed the complaint), the Prosecutor's Office could not investigate them, because they were not servicemen but civilians, and the Attorney General's Office has no jurisdiction over them.

## Medellin Cartel Leader Jose Ocampo Alive, Well

*PA1603171394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 12 Mar 94*

[From the "NTC News" newscast]

[Text] It was believed that one of the first victims of the internal Medellin Cartel feud was Jose Antonio Ocampo, alias Peluza. According to several reports, Ocampo, who was one of Pablo Escobar's lieutenants, was murdered after falling from the drug lord's graces. The name of Jose Antonio Ocampo appears in classified official files as an active member of the financial branch of the battered Medellin Cartel. The Army's 4th Brigade arrested him in Uraba in 1989, but he was released because of insufficient evidence. The authorities know he contributed to maintaining the narco-terrorist war for years. He rebelled against his boss and Escobar sentenced him to death. Peluza managed to escape the internal purge launched against Moncada and Galiano at the Envigado Prison complex.

Authorities have a video tape that proves Peluza is alive and well. NTC News, exclusively, has managed to get a hold of the tape. Jose Antonio Ocampo is currently being held hostage.

[Begin Ocampo recording] I am very happy to be able to send this message. [end recording]

These pictures show Jose Antonio Ocampo, alias Peluza, where he is being held. He looks bad. Two men bearing submachine guns guard him. Peluza taped a dramatic call to his family to save his life.

[Begin Ocampo recording] I hope and I know that you are praying to [words indistinct], my and your queen, for me to leave here. A thousand kisses. I love you all very much. [end recording]

On the tape, Peluza asks his family to act wisely. He begs his friends for solidarity. He orders his family to sell his properties and horses to collect the $2 million ransom.

## Jailed Medellin Cartel Members To Be Transferred

*PA1703014594 Madrid EFE in Spanish 2350 GMT 16 Mar 94*

[Text] Santa Fe de Bogota, 16 MAR (EFE)—The Emisoras Caracol Network has reported that "within the next few hours" four lieutenants of the late Medellin Cartel boss Pablo Escobar will be transferred to Itagui Maximum Security Prison in the northwestern part of the nation.

A Caracol correspondent has reported that inmates Gustavo Adolfo Gutierrez Arrubla (alias Maxwell and La Trapeadora), Luis Carlos Aguilar Gallego (El Mugre), Jose Fernando Posadas Fierro, and Carlos Mario Alzate Urquijo (Arete) are scheduled to be transferred to Itagui. On 8 December 1993, the four confessed drug-traffickers were unexpectedly transferred to Santa Fe de Bogota's La Picota Prison.

The Caracol Network reports the inmates are being transferred to Itagui "despite recommendations against such a move by the national government." Two weeks ago, a conflict arose between Colombia's justice minister and the nation's prosecutor general because the minister opposed the order to transfer the inmates to another prison, warning that the transfer could help the dismantled Medellin Cartel reunite despite Pablo Escobar's December 1993 death.

Meanwhile in Medellin, it has been reported that the widow of Pablo Escobar, Victoria Henao, today visited her brother-in-law Roberto, alias Osito, at Itagui Prison. Victoria Henao traveled with her son Juan Pablo from her home in the Colombian capital to Medellin, where she stayed only a few hours. In the afternoon she returned to the Colombian capital aboard a charter flight.

## Arrieta Rejects de Greiff's Statements on Reno

*PA1703013994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Mar 94*

["Confidential" report by Darcy Queen; from the "24 Hours Newscast"]

[Text] Attorney General Carlos Gustavo Arrieta has left Prosecutor General Gustavo de Greiff alone in the fight

concerning the policy over the Cali Cartel members' surrender to justice authorities. During an informal meeting with foreign journalists he said the Colombian Government does not welcome the fight between the prosecutor general and U.S. Attorney General Janet Reno.

Attorney General Arrieta rejected what the prosecutor general said in what represents a struggle for power that goes beyond Colombia's borders. In the meeting Arrieta said that the Colombian Government does not agree with the prosecutor general's position or academic views concerning his U.S. counterpart, Janet Reno.

Nevertheless, he said Reno's noncompromising attitude encourages solidarity with the prosecutor general, which was not advisable for the Colombian Government because it is concerned that this fight obstructs the surrender process.

Immediately after the meeting an ASSOCIATED PRESS report said: Arrieta stated his concern that drug traffickers might fish in troubled waters if the confrontation continues.

## Maritime Delimitation Treaty With Jamaica Ratified

*PA1603163594 Mexico City NOTIMEX in Spanish 2328 GMT 14 Mar 94*

[Text] Santa Fe de Bogota, 14 Mar (NOTIMEX)—The Colombian and Jamaican Governments have ratified the Maritime Delimitation Treaty, which establishes a common area for the joint control and exploitation of marine flora and fauna. Jamaican Ambassador to Colombia Mattew Antoni Cox Beaubrun and Foreign Minister Noemi Sanin signed the document restating both governments' desire to jointly manage marine resources.

According to the document, the common area excludes the maritime zone around the Serranilla and Bajo Nuevo Banks because, in accordance with international law, that area is considered to be part of Colombian territory. In this manner, Colombia and Jamaica will be able to exploit the reserves or hydrocarbon fields that might be found in the designated area, and which might intersect the maritime border.

The treaty, ratified on 14 March, was signed in Kingston, Jamaica on 12 November 1993, after 19 years of negotiations between representatives from both nations. Known as the Sanin-Robertson Treaty, the agreement establishes a maritime delimitation line between Colombian territory, a common area located between the San Andres and Providence Archipelago, and Jamaican territory.

President Cesar Gaviria called the agreement "historic," and noted: "It will not only mark our boundaries in the Caribbean sea, but it will make us true neighbors."

## Trade Minister Denies Cuban Trade Agreement

*PA1703153294 Mexico City NOTIMEX in Spanish 1947 GMT 15 Mar 94*

[Text] Santa Fe de Bogota, 15 March (NOTIMEX)—Today, Colombian Foreign Trade Minister Juan Manuel Santos denied a Cuban report that he would travel to Cuba in April to sign a trade agreement between the two nations. "My schedule is full," the official said in statements published Tuesday in the influential newspaper EL TIEMPO.

According to media reports from Cuba, the two countries will sign a trade agreement in Havana next April at a ceremony which Santos will attend. "My visit to Cuba is still not definite", the Colombian trade minister said in explaining that "the agreement only revises the partial agreement Colombia has with Cuba within the framework of the Latin American Integration Association (ALADI)."

According to Cuban versions, a bilateral delegation recently studied the treaty. It reviewed tariffs and analyzed a list of more than 800 products to be included in the document.

Santos' denial was made within the framework of an offensive against Cuba by local right-wing groups as a result of the release of information on the presumed presence of Colombian guerrilla commanders in Cuba.

The Santa Fe de Bogota newspaper EL TIEMPO published this story shortly after Mines and Energy Minister Guido Nule returned from Cuba and announced Colombia would sell between 15,000 and 20,000 barrels of oil per day to the island. Colombia and Cuba renewed diplomatic relations on 28 October after a 12-year suspension given the Cuban Government's presumed interference in Colombia's internal affairs.

## Roundup of Electoral Developments

*PA1703154594*

[Editorial Report] The following is a compilation of reports on developments related to the Colombian elections scheduled for 8 May 1994.

On 10 March, Conservative Party presidential candidate Andres Pastrana Arango suggested breaking off relations with Cuba again because Cuba supports guerrilla and dynamite attacks in Colombia. Pastrana emphatically said: "Colombia should not have ties with Cuba as long as Fidel Castro's government continues to support the National Liberation Army, which kills our leaders, as in the case of late Senate Vice President Dario Londono, blows up oil pipelines, and sows terror." Pastrana noted that: "Given the crisis Cubans are facing, it is important Fidel Castro shows he is willing to facilitate an opening to democracy. That is what Latin America expects from him." (Santa Fe de Bogota EL TIEMPO in Spanish 11 Mar 94 p 17A)

On 11 March, Liberal Party presidential candidate Humberto de la Calle Lombana stated he has always tried to establish the central points of his campaign and the differences and similarities with other candidates' campaigns. He added that he has not and will never resort to personal attacks. De la Calle said he does not agree with the idea that the runner-up should automatically become the vice president because Colombia needs a harmonious relation between the president and vice president. De la Calle emphasized that: "It is not a matter of Samper or de la Calle, Colombia is what is really at stake." (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 11 Mar 94)

## New Measures To Protect Agricultural Sector

*94SM0243B Santa Fe de Bogota EL TIEMPO in Spanish 9 Feb 94 p 12A*

[Text] *Powdered Milk Import Permit Eliminated*

The government has passed new control measures affecting a number of agricultural products aimed at preventing imported goods from hurting the market, and has deregulated foreign purchases of powdered milk.

Yesterday the Higher Foreign Trade Council voted to increase the duty on beans, set references prices for lentils, chickpeas, broad beans, and kidney beans, and maintained the import permit for cut-up chicken.

The duty on kidney beans rose from 15 to 20 percent. The Ministry of Agriculture explained that the measure is an attempt to promote crop diversification and substitution programs being carried out in depressed areas.

In the case of cotton, it was decided to adopt permanently the 10-percent duty that had been set on a provisional basis.

The reference prices set for four types of grain are an attempt to establish a base value aimed at helping customs authorities to identify cases of underbilling on imports.

Powdered milk imports were deregulated based on a possible shortfall on the domestic market.

The decision to maintain the restriction on cut-up chicken was made because it poses a continuing threat to national producers.

On the recommendation of the National Narcotics Council, it was also decided to include acetic anhydride and toluene on the list of products requiring an import permit.

According to the Council, these products, which are used in the paint industry, could be entering the country for the purpose of producing illicit drugs.

Minister of Foreign Trade Juan Manuel Santos said that one of the most important measures was the adoption of the trade protection system based on which the government will be able to impose duties or quotas on imported products that seriously affect local production.

"If the national and international situation indicates that there may be a serious threat to national production, protection of a given sector will be justified," Santos explained.

"This is a clause applied throughout the world and Colombia had simply delayed passing it," he added.

### Tariff and Cars

The foreign trade oversight agency also ratified the automotive agreement between Colombia, Ecuador, and Venezuela.

According to Santos Calderon, an order will be issued next week setting the import duty on vehicles at 35 percent.

The order helps luxury automobiles, the duty on which is now 40 percent. However, other types of vehicles will pay 35 percent.

For commercial vehicles such as vans (panel trucks) and ambulances, the duty will drop from 20 to 15 percent.

In addition, and as this daily newspaper announced yesterday, a system of safeguards was defined. This is a mechanism making it possible to establish temporary protection against an unusual increase in imports of a product hurting national production.

For agriculture and fishing, the safeguard will consist of a surtariff.

Manufactured products may also request a surtariff and, in extreme cases, an import quota.

The issue of environmental requirements governing imported gasoline will be taken up at the next Council meeting.

[Box, p 12A]

### Cattlemen Reject Imported Milk

The Antioquia Cattlemen's Federation (FADEGAN) and Milk Cooperative (COLANTA) have emphatically rejected the deregulation of powdered milk imports, which had been required to have import permits since the middle of last year.

In a letter sent to Ministers Rudolf Hommes (Finance), Juan Manuel Santos (Foreign Trade), and Jose Antonio Ocampo (Agriculture), the Antioquia Cattlemen are asking that the import permit be retained.

FADEGAN says its position "in no way means that we defend excessive protectionism."

The cattlemen also insist that allowing powdered milk to enter the country is a step backward, and warn of "the harmful consequences which this measure will have for the rural producer."

In 1993, the livestock sector and dairy industry both experienced one of their worst crises ever. The difficult situation forced pasturizers to lower the price of milk and the government to institute the import permit in order to bolster national milk production.

COLANTA, an association of 9,000 milk producers in Antioquia, Cordoba, and the coffee belt, argues that foreign milk is a danger to Colombian industry, which has to compete with the high subsidies granted by wealthy nations.

### Military Penal Code Undergoes Revision

*94SM0243A Santa Fe de Bogota EL TIEMPO in Spanish 8 Feb 94 p 9A*

[Text] The Attorney General's Office and Ministry of Defense have joined forces to draft a new Military Penal Code.

The code will include forms of illicit conduct not previously classified as crimes or simply viewed as disciplinary problems.

Experts from the two institutions say that consideration is being given to the inclusion in the code of such crimes as forced disappearances, torture, and other illicit acts falling into the category of sexual abuse.

Attorney General Carlos Gustavo Arrieta has appointed two assistant prosecutors to work with the Ministry of Defense on the joint undertaking.

They are Mauricio Fajardo, assistant prosecutor for the military forces, and Manuel Corredor, first assistant prosecutor for criminal matters.

Sources within the Attorney General's Office said yesterday, for example, that forced disappearance is prohibited by the Constitution, but not classified as a crime in either the Penal Code or the Military Penal Code.

For that reason, both prosecutors argue that it must be included in the new code, harshly penalized, and used as a deterrent to law enforcement officers who might commit such abuses.

The same sources said that torture had to be classified as a crime because proven cases can only be penalized as personal injuries, when such is the case, or as abuses of authority.

The objective is to ensure that these and other issues are studied by the joint commission of the Attorney General's Office and Ministry of Defense, whose prosecutors would be officers from the criminal jurisdiction and members of the general inspectorships of all the Armed Forces.

Last week Arrieta sent a letter to General Ramon Emilio Gil, acting minister of defense, informing him that the Attorney General's Office expects a revision, not only of new crime classifications, but also of all matters relating to competencies and procedures in force under the existing Military Penal Code.

In the opinion of the attorney general, the letter says, the success of the revision "will not only determine the credibility of military criminal justice. Rather, the military institutions themselves would in addition reap incalculable benefits, in terms of the morale of their members and the trust which civil society has in them, from having an effective administration of justice that deals swiftly and rigorously with the punishable conduct of those who do not deserve to be in their ranks."

#### Scarcity of Attorneys

Arrieta explained in his letter to Gil that his Office has a special interest in such a reform, based on a clear policy aimed at guaranteeing respect for human rights.

The Office of Attorney General believes that with respect to procedure, for example, the Code should fill vacuums created by a recent ruling of the Constitutional Court eliminating the possibility of naming officers who are not attorneys to defend the accused.

The Court ruling, which basically deemed [it] a violation of the right to an adequate defense, forced the military criminal jurisdiction to seek emergency solutions.

The courts and the Military Criminal Tribunal, for example, were forced to call upon attorneys from the Public Defender's Office and the legal offices of universities.

Even so, the backlog and lack of defense counsel rendered the plan practically inoperative. The Attorney General's Office believes that the military jurisdiction should begin by drawing up a complete record of performance.

## Paraguay

### Congressional Committee Seizes Cotton Chamber Documents

*PY1603133294 Asuncion ULTIMA HORA in Spanish 15 Mar 94 p 21*

[Excerpt] The Congressional Investigating Committee on Illegal Activities (CBII), in an unexpected action, yesterday raided the Paraguayan Cotton Chamber (Cadelpa) and seized a great quantity of documents (acts of the last few years, and 15 recorded hours of sessions) that bring to light the oligopolistic procedures used by that organization to impose a national cotton price on the country's peasants, as well as control the administration of all stages of the production and marketing of "white gold." [passage omitted]

## Wasmosy, Bolivian President Sign Joint Declaration

*PY1603164494 Asuncion ABC COLOR in Spanish 16 Mar 94 p 15*

[Text] In a joint declaration Paraguayan President Juan Carlos Wasmosy and Bolivian President Gonzalo Sanchez de Lozada last night described the Pilcomayo River and the areas around it as a decisive factor in promoting integration among Argentina, Bolivia, and Paraguay, and decided to invite Argentine President Carlos Saul Menem to a meeting with a view to seeking formulas that would be instrumental in jointly undertaking mutually beneficial development projects.

Paraguay and Bolivia also stated that they are committed to fighting the drug trade, and agreed to hold permanent consultations between senior officers of their two countries. The Paraguayan Government supports "the search for a negotiated agreement" to provide Bolivia with an outlet to the Pacific Ocean. Sanchez de Lozada has characterized this goal as "an unrenounceable right of the Bolivian people."

In the joint declaration, which was signed at Lopez Palace, Wasmosy and Sanchez de Lozada attached special significance to the Pilcomayo River, but did not go into detail. They agreed, however, to invite President Menem to a joint meeting to undertake joint projects. They have not set any specific date for this meeting. They have also acknowledged that the abuse of and illegal trade in narcotics and dangerous substances are a serious threat to the health and well-being of all peoples, and noted that all nations must assume their share of responsibility in fighting this scourge at every level and in all of its forms. They reiterated their commitment to fighting the drug trade, and agreed to urgently implement bilateral actions.

To strengthen friendly relations and cooperation between their two countries, they have decided—based on a proposal from the Bolivian Government—to hold consultations between senior officers of their respective Armed Forces, through periodic meetings to be held at least once a year, alternating in Bolivia and Paraguay.

Regarding the gas pipeline, Wasmosy and Sanchez de Lozada emphasized the work of the energy technical commission that is studying the sale to Paraguay of Bolivian natural gas through the gas pipeline project, of liquefied gas, and of gasoline. They conveyed their desire to have the project implemented as soon as possible with the participation of the private sectors of both countries.

They also expressed their satisfaction over the progress and consolidation of the democratic system both in the world and within the region. They regard this as a guarantee for the full exercise of human rights and a necessary condition for achieving socioeconomic development.

They also mentioned the efforts made to find formulas that would enable Bolivia to gradually move closer to and join Mercosur [Common Market of the South].

They agreed on the need to strengthen the Agreement on Coordination and Cooperation among Bolivia, Paraguay, and Uruguay (Urupabol), which was reactivated on 16 October 1993, and emphasized the consultations taking place among the three countries with a view to holding, as soon as possible, a meeting of their three foreign ministers.

Among other points, President Wasmosy informed his Bolivian counterpart that the Paraguayan Government is studying a project to build a dam in Bahia Negra to check the Paraguay River water flow. He noted that this project will generate a development process in vast areas in the region, will make the river navigable along its entire course, and will decrease ecological risks.

They also stated that it would be useful to improve customs monitoring at their common border. A customs office will be set up in General Garay. Sanchez de Lozada stated that the goal of obtaining a sovereign outlet to the Pacific Ocean is a fundamental topic in Bolivian foreign policy, and "an unrenounceable right of the Bolivian people." Wasmosy voiced his government's unwavering support in the search for a negotiated agreement on this issue.

## Seven Agreements Signed

*PY1603164994 Asuncion ABC COLOR in Spanish 16 Mar 94 p 15*

[Text] Paraguayan Foreign Minister Luis Ramirez Boettner and his Bolivian counterpart Antonio Aranibar Quiroga yesterday ratified seven cooperation agreements, among which are one creating mechanisms for the recovery of stolen vehicles, and one for the supply of Bolivian natural gas to Paraguay. The documents were signed by the two foreign ministers during a ceremony attended by Paraguayan President Juan Carlos Wasmosy and Bolivian President Gonzalo Sanchez de Lozada at Government Palace.

The other cooperation agreements refer to the economy, natural resources, the environment, health, the duty free warehouse in Villeta, and tourism issues.

All these agreements were signed during the last visit President Wasmosy made to Santa Cruz de la Sierra, Bolivia, some months ago.

### Stolen Vehicles

According to the agreement on the recovery of stolen vehicles, the two countries promise a smooth exchange of information between their respective police forces regarding the owners of the vehicles, the reports of theft to the police, and details of the stolen vehicles.

The accord also establishes the need for a document certifying that the vehicle has not been reported as stolen and listing the highways and checkpoints which the vehicle is authorized to use.

Other preventive measures mentioned in the agreement refer to constant patrolling, checking of vehicles, and the establishment of consultation offices in both countries in their respective police stations.

**Establishment of Grounds for the Construction of a Gas Pipeline**

The agreement for the supply of Bolivian natural gas to Paraguay is partial, although of an "indefinite duration" and for a volume yet to be determined.

The two countries have agreed to authorize the construction and operation of a gas pipeline between the two countries, as well as for the transportation of gas within their own territories.

The purchase of gas will be made through operators who will be in charge of the negotiations and of establishing the price, deadlines, volume, and other pertinent details. Payments will be made in dollars.

**Economic Cooperation**

The economic cooperation agreement is basically designed to step up economic and commercial relations through the elimination of non-tariff barriers on bilateral trade, and to promote the expansion and diversification of trade between the two countries.

**Natural Resources**

As for the agreement referring to natural resources and environment, it provides for the exchange of technicians, professors, and experts for the drafting of joint programs as well as the exchange of information regarding methods and techniques.

**Tourism Cooperation**

The tourism cooperation agreement, among other issues, provides for regional and subregional integration, the coordination of promotion events, the consolidation of integrated tourism circuits, the identification and consolidation of a land and river corridor between the two countries, as well as the promotion of integrated tourist circuits in the international markets.

**Villeta Duty Free Warehouse**

The two ministers also signed an agreement for the exchange of reversal notes authorizing the rendering of services for cargo in transit, for Bolivian cargo in transit and to the Paraguayan market, and for Paraguayan cargo bound for Bolivia. The Bolivian Government has offered the Paraguayan Government a duty free warehouse and storage area in a site yet to be chosen, under the same terms granted by Paraguay to Bolivia.

**Health**

The cooperation agreement in this field is designed to establish an exchange of knowledge and experience, to step up the training of human resources, establish an information service on the activities held on the border areas, and adopt regular notification mechanisms on illnesses that must be reported.

## Sanchez Interviewed

*PY1603210894 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0300 GMT 16 Mar 94*

[Interview with Bolivian President Gonzalo Sanchez de Lozada by Stella Ruffinelli; from the "Coordinates" program; place not given—live]

[Excerpt] [passage omitted] [Ruffinelli] You have said that consensus represents a basic element for strengthening our democratic processes. Before your election, you had to achieve a mini-consensus to guarantee your second attempt to become president. How do you view this now you are president? How can a consensus be achieved?

[Sanchez] Well, political dynamics, especially as we see it in Europe, involves opposition politics, that is, the opposition, the ruling party, and all that.

Nevertheless, there comes a time when a consensus must be reached, and many criticized me over this when I was in the opposition.

Through fraud and the fact that the second placed party voted for those placed third, if a majority vote is not achieved in Bolivia, you have to resort to Congress. It is almost impossible to achieve an absolute majority.

[Ruffinelli] You were elected by Congress.

[Sanchez] Yes, even though my election, my victory, was overwhelming—I received 15 percent more than the second placed candidate. In a proportional representation vote system, it is impossible to receive more than 50 percent of the votes. Yet the Bolivian Constitution states that if you do not receive an absolute majority of the votes, you have to resort to Congress.

[Ruffinelli] Do you have the support of two thirds of the Senate?

[Sanchez] Yes.

[Ruffinelli] And a good portion or a significant portion of the Chamber of Deputies?

[Sanchez] We have an absolute majority in the Chamber of Deputies. A consensus is required when you draft significant measures to really transform society. Privatizations, the people's participation program, and education reform are revolutionary measures that the people eagerly want, but many people, especially the teachers, oppose it. When you design significant measures to transform society, a consensus is required. This does not mean it must be unanimous, but a consensus is essential because it is not enough to have a majority in Congress. All parties must decide that the time to reach an agreement has come. We will never agree on every measure because a government has to rule. These are significant

measures which involve the changes and transformations required by current times—because these are times of change—and we must try to achieve a consensus.

[Ruffinelli] Emphasis has also been placed on the corruption issue and how to handle it. You have drug trafficking and other fairly difficult measures to solve. How are you handling the corruption issue?

[Sanchez] We believe the privatizations program will help to solve the corruption problem. Under a pluralist democratic process, we believe it is incompatible for the state to manage economic activities. If you manage state-owned enterprises well, you may not lose votes because you will be firing people and running the operation very efficiently. If you manage them poorly, if you start hiring your fellow party members, the enterprise will perform poorly and the services will be lousy. This is also bad.

We believe it is necessary to radically decentralize our country, to remove the state from economic activities, transferring them the private area. We must do it through privatizations in which the enterprises are not sold to foreign capital or directly to private capital, but in which the people themselves participate.

Second, with this participation of the people, certain roles will be transferred to the municipal governments and others to rural communities and urban neighborhoods. Like this we believe we will achieve the dynamics needed to exercise control. When the people control, there is no corruption. In a neighborhood or a small town, the people know exactly what is being done and who is doing it. We believe this mechanism of decentralization, through the people's participation in privatizations, will allow them to control. This is not merely a moral or personal problem, it is an institutional problem.

When there is excessive centralization, it is very difficult to control, regardless of the government's good intentions and efforts.

[Ruffinelli] I want to return to the trafficking issue, because it also is somewhat linked to what is happening here. Concerning the coca issue, you are, let's say, free to grow it, but not to process it. But the United States wants it eradicated.

[Sanchez] There are regions in Bolivia where coca was being grown before the arrival of the Spaniards. This coca, however, is very special. It is grown in high-altitude regions. This coca requires hard work. It is carefully grown, harvested, and dried.

There are other new regions where another type of coca is grown, a coca that is unsuitable for the traditional purpose of chewing or in typical Bolivian rites. This coca is used by traffickers.

We are now trying to control it and convince Bolivians to voluntarily replace coca with alternative development crops. It also involves paying them for each hectare they eradicate. It is not easy because it is not easy to find a crop that will really replace coca production. Nevertheless, we must wage this war because, thank God, the narco-guerrillas and drug cartels have not yet reached Bolivia. We are very scared because we had a military government that was totally at the service of drug trafficking.

[Ruffinelli] [Former Bolivian President Luis] Garcia Meza's detention in Brazil has probably created a little problem for your government. Even though it is a relief, it also represents a little problem. In Brazil, he said he did not govern alone. Coming from a former president, this is politically significant. What does this mean to you?

[Sanchez] We believe corruption cannot be concealed and, if he has something to say, I would be pleased to hear it. It is also necessary to be very careful about reports from a man sentenced by the Supreme Court to 30 years in prison, and who has been at large.

[Ruffinelli] But there still are pockets of authoritarianism and corruption that have not been removed from the Bolivian society.

[Sanchez] Obviously. There are many, but I want to tell you that my party, the Nationalist Revolutionary Movement, reached the government in 1985, through our leader and founder Victor Paz Estenssoro. We inherited a 23,400-percent hyperinflation ...

[Ruffinelli, interrupting] Was it your program or was it a program ...?

[Sanchez] Well now, a program ... [pauses] He transferred me from the Senate presidency to the Planning and Coordination Ministry, and we were able to curtail hyperinflation.

I have become president and there is hyper-corruption. I will not be able to totally wipe out corruption, because it has been imbued in humanity since Eve gave Adam an apple. This will not ... [pauses] We do not want hyper-corruption. We want single-digit corruption, controllable corruption in which coexistence is possible.

[Ruffinelli] You do not want it to become a standard.

[Sanchez] Correct. As I have just said, we do not want hyper-corruption. We do not want such serious corruption. Yet, it is not easy. As with hyperinflation and inflation, corruption must be reduced with very radical, clear, and unrelenting measures. By the time I leave the government, I hope to leave a country in which corruption has not entirely been wiped out, but where it has been reduced to a level that can be managed and controlled by the courts and society.

[Ruffinelli] President Sanchez de Lozada, there is a little point of common interest between our countries, that is, the issue of stolen cars and the concern over their legalization in your country. There was even one group who wanted to write a little letter on this issue and

deliver it to you. Can you tell our audience, which is so interested in this issue, about this?

[Sanchez] I believe we will solve this point because we want all urban and rural municipal governments to responsibly participate in this municipalization program. When they see stolen vehicles, we want the municipal governments, not just the police and the courts ... [pauses] We will launch a campaign, with the people's assistance, because it is very harmful to Paraguay and is not benefiting us. We would like to resolve this point, and we are here to discuss ways to resolve this problem because it irritates, damages, and invalidates our efforts. [passage omitted]

## Peru

### Economy Minister Regrets U.S. Withdrawal From Support Group

*PY1603132794 Lima Global de Television Network in Spanish 0100 GMT 16 Mar 94*

[Excerpts] After attending a meeting with the congressional Agriculture Committee, Economy Minister Jorge Camet said that the bonus for schoolchildren will be paid to workers at the beginning of April, and will amount to something between 120 and 150 soles. [passage omitted]

The minister added that the funds raised from the privatization process will be used on social programs. [passage omitted]

The economy minister also reported that the government is preparing the last details of the letter of intent it will sign with the IMF. He stated categorically that Peru will not insist that the United States comply with its offer to participate in the support group.

[Begin Camet recording] I regret to say that the United States is the only country that has not complied with its promise to join the support group. All the other countries that had promised to do so complied with their promises, (?except) for the U.S. Government. It is their decision, and we respect it. Any money we can get is welcome, but if someone promises to give money and now does not want to give it... [end recording]

### EL COMERCIO: Effort Must Be Made To Speed Up Economic Reforms

*PY1603213194 Lima EL COMERCIO in Spanish 3 Mar 94 p A2*

[Editorial: "The New Inflation Rate"]

[Text] Inflation was 1.8 percent in February. This undoubtedly is positive news, because the trend of such an important economic indicator remained stable for the second consecutive month, even though it should be pointed out that a great effort must be made to lower the cost of living in order to attain the officially announced annual goal of a maximum 25 percent.

In fact, the average cost of the family basket between September 1993 and February has not experienced major changes (only around 0.2 percent), no sudden variations, which represents a major stabilization achievement when taking into account that this was during a period when inflation grew significantly due to seasonal factors, such as the beginning of the school year and the fact that March is the deadline for tax payments.

All this is very positive because, despite a series of political factors such as the specific case of the "Cantuta Law," the economic and production agents basically show confidence in the government's economic model.

However, what we consider substantive warnings must be made.

First, inflation during the past two years has experienced an invariable percentage of about 2 percent per month. That, intrinsically speaking, is not bad for a national situation such as ours. It indicates, however, that one of the needs of the structural adjustment model is to invigorate the market's reaction, not only be expediting reforms but also by what is implicit: reactivate the market.

Through January, according to the INEI [National Institute of Statistics and Information Science], the GDP had grown 9.7 percent; the mining industry accounts for a larger percentage of this growth, which needs to spread to the entire industrial sector.

This means, therefore, that this year emphasis must be placed on increasing competitiveness. The economic reactivation must spread to all productive sectors by two means: by the establishment of regulations allowing national industries to become fully competitive, not only at a national level, but also at a regional level, because one cannot forget that the reconversion must unavoidably be projected into large economies.

It also should be taken into account that inflation must be fought through tax collection. So that Peruvian enterprises can recover—and, therefore, reduce their costs and the prices of goods and services—it is not only necessary to lower the tax burden but also expand taxes and tariffs to more goods and services, thus avoiding illegal trade and contraband.

From another viewpoint, in order to make the struggle against inflation successful (and so, in turn, its monthly average drops) the Economy and Finance Ministry program must widen its scope so it channels the huge funds being received by the AFP [Pension Fund Administration Board] and the CTS [Severance Pay Fund] in a more rapid and effective manner so the financial and banking systems can make better and faster investments.

It should be pointed out, however, that the accumulation of resources is not always positive if it is not designed to accumulate international reserves.

The same goes for the funds being obtained through the privatization of public enterprises. For example, the

money—which up to a point was unexpected in the case of the sale of the CPT [Peruvian Telephone Company] and Entel [National Telecommunications Enterprise]—must be earmarked for adequate and profitable social projects because if not, we may soon find that the foreign currency is converted into national currency with an eventual negative impact on the inflation rate.

An additional aspect is, precisely, that the monetary policy must continue to be administered with great care. We must not forget that 80 percent of the primary monetary supply is expressed and endorsed in dollars. And if the resources are not used with full guarantees and in a profitable manner in the short and medium term, we could be faced with inflation nourished by strictly monetary factors or by an exaggerated increase of expectations.

Moreover, and it is good to point out, although we are on a good footing, especially compared to the previous government, the essential thing in order to avoid a price increase and other concomitant factors is to avoid new political changes.

When political instability is generated—1994 is an electoral year—the expectations of the productive and financial agents may become excessive and cause an increase in the cost of living that, under current circumstances, would be extremely negative.

Therefore, in sum, currently Peru is on the right path in its struggle against the inflation monster. However, what is worrisome is the fact that after four years of government, its economic model, which undoubtedly has its positive aspects, especially in the market liberalization, continues to follow an extremely slow pace that must not last much longer.

Regardless of the unchanged indicators for a few months, reforms must be implemented expeditiously, not only to attain the 25 percent inflation rate per year, but also to minimize or eliminate as soon as possible the social cost this will entail and the threat of recurring inflation.

The average inflation rate considered acceptable in Latin American countries is established, in acceptable and even optimum terms, at nine points per year. This must be our goal in the short term because, because we are drawing closer to the general elections, we must avoid the resurfacing of economic scourges of the past.

## Czech Vice President Notes Further Consolidation of Ties

*PY1703022294 Lima Global de Television Network in Spanish 0100 GMT 17 Mar 94*

[Text] Diplomatic relations between the Czech Republic and Peru were further consolidated with the recent signature of two bilateral agreements. This was stated by Czech Republic Vice President Jan Kalvoda, who has been in Peru since 15 March on an official visit.

One of the agreements signed will promote and guarantee investments, which will benefit financial exchange, especially for national development products. The other agreement eliminates the requirement for visas for diplomatic passports.

During a news conference, the Czech vice president pointed out the trade exchange with Peru, which he described as important and balanced.

## Drug Kingpin Vaticano's Family Network Described

*94SM0253A Lima SI in Spanish 7-13 Feb 94 pp 30-32, 47*

[Unattributed article: "Vaticano's Network"]

[Excerpts] In the purist Cali Cartel style, the web of the relationships of the organization headed by Vaticano covers every flank—financial, police, military, terrorist, judicial, and operational.

A comparison of information from various sources has made it possible to determine the table of organization that is detailed on these pages. It is very striking to see the levels of closeness since apparently even the agents of the Drug Enforcement Administration (DEA) have been the subject of intelligence leaks pertaining precisely to the control operations carried out in Huallaga.

One of the brothers of Vaticano (so-called because he is the head of all of the "churches," or firms), namely Elias Chavez Penaherrera (aka Lan Chile), was the man in charge of the "payments" made to the military. This was because his work—the coordination of the receipt and dispatch of drugs by air—could only be carried out in this way. One of these payments may have been the gray automobile delivered to a general whose involvement in this relationship has been proven, according to reliable information. Elias, who was formerly in charge of logistics in Campanilla, is now reported to have replaced his brother and to be in Cali. [passage omitted]

### "I Know Nothing"

The statement "I am his brother, but I know nothing," which was made by Manuel, the brother of Reynaldo Rodriguez Lopez, at the time of his arrest, has become famous.

Vaticano has said the following about his brothers:

"...Humberto lives in Campanilla, and he devotes his time to livestock breeding and music. He has a group called "La Banda del Caribe" (The Caribbean Band). Emilio lives in Campanilla, and is engaged in farming and livestock breeding. Berzabeth lives in Campanilla. She devotes herself to her housekeeping, and is married to a former policeman, Silverio Cardenas. Bertha lives in Lima and works in a grocery. Elias lives in Campanilla, but I do not know what he does." Where the others are concerned, he says that he has not seen them in a long time.

His sister Bertha, for her part, also said in her statement to the police that "I have not seen my brother for more than 10 years now."

But her relationships were business ones, even more than family ones. Bertha (La Calena) was the general director of the organization, and she was apparently in charge of the process of laundering the money. The operations of "LR y Asbciados" (LR and Associates) are being traced in an effort to prove this.

This business, which was established in March of 1992 by Mrs. Lucila Emetria Rivera de la Cruz, a housewife (55,100 shares), and her daughter, Claudia Luna Victoria Rivera, a student (2,900 shares), was engaged in the construction of commercial centers in Lima. Vaticano has said that in May of 1991, he sold a plot of land measuring 1,100 square meters that he had purchased in Block 51 of the Benavides Extension, Surco, "to a woman whose name I do not remember."

This woman was none other than the mother-in-law of his sister Bertha. Mrs. Lucila Emetria is the mother of Marcos Ivan Luna Victoria Rivera, Bertha's common-law husband, who also lived at Bertha's minimarket and home complex at 3373 Avenida Aviacion. Her son was sentenced this week to 12 years in prison by the First Criminal Court of Callao for illegal trafficking in drugs. "La Calena" has told the police that she never realized she was living with a drug trafficker.

**Figureheads**

Having set up their business in the commercial center they had built on the 1,100-meter plot in question, the mother and daughter hired a manager, Yuri Marcel Munoz Rivera. He too is one of Mrs. Lucila Emetria's sons, and, having been linked with Luna Victoria in this way might also have played other roles.

In the first place, it has been proven that he visited "Panama," Bertha's minimarket on Avenida Aviacion. In November of last year, he traveled to Trujillo. There he is reported to have collected money (the sum of $40,000 has been mentioned), which he brought back to Lima and delivered to his sister Terlinda. She made a trip to Iquitos, presumably to pay off Judge Jaime Cardenas Fonseca, the brother of "Mosca Loca" (Crazy Fly), for the release of Bertha. It was Vaticano, who met with Terlinda in Iquitos for purposes of coordination, who gave the order for the operation.

LR y Asociados SRL (LR and Associates, Ltd.) built the "Las Gardenias" commercial center on the plot of land purchased from Vaticano, and leased all of the shops. In this way, the property (land and buildings) was valued at more than $1 million. In 1992, however, LR sold the entire complex to two men for a little more than $100,000. And the land alone had cost $65,000 when they bought it from Demetrio.

It is suspected that this unusual sale was made as a means of laundering the money obtained from Huallaga.

A short time thereafter, the business purchased another plot of land two blocks farther along. On that plot, the company built the "53 Shopping Center," in which 79 shops have been offered for lease thus far. The sales manager chosen on this occasion was Elias Rojas Boltan.

**The Polvos Rosados Trade Fair**

Terlinda's trip to Iquitos was not the only one she would make. She traveled to Arica, Chile, in May of 1993 (Vaticano said she left Peru via Tacna-Arica). And in November of that year, she made another trip to Medellin, Colombia, where she stayed at the Hotel Capitolio.

A number of telephone calls were made from her home, located in Unit A at 4660 Avenida Arequipa, in Miraflores, to Cali, Colombia. The calls were made to the "Holguines" development company, to Maria Escobar, to Jairo Frisneda Granada, and to Enrique Rocha.

The trip to Medellin was nothing unusual, although it is known that this was the headquarters of Escobar's cartel, and there were sometimes dealings between the two. Proof of this is the presence of Juan Chavez Penaherrera, one of the brothers, in that city from time to time "on business."

Terlinda also managed Booth 151 in Polvos Rosados. Although this seems to have happened infrequently, this trade fair also served as a meeting place for the members of the organization. It is known that Berzabeth, the other sister of Vaticano who was arrested, had some booths there.

In order to understand the operational plan of the commercial "facade" completely and to establish further links, a total of 180 homes and offices throughout Lima, including those of a number of offices of aviation companies that make flights into the jungle, are being investigated.

## Huallaga Front Commander on Corruption, Shining Path

*PY1603230094 Lima LA REPUBLICA in Spanish 1 Mar 94 p 16*

[Article by journalist Luis Alberto Chavez and photographer Cesar Aquije]

[Excerpt] General Alfredo Rodriguez Riveros has replaced General Eduardo Bellido Mora, currently assigned to Israel, as commander of the Huallaga Front. He handles the last refuge of subversion and the natural habitat of drug traffickers: the San Martin and Huanuco Departments. This is an explosive zone, but he is not worried, because in some ways he knows the situation: "El Cholo," as he is known, was the political-military chief of Cerro de Pasco before being assigned to Upper Huallaga.

Although he did not elaborate, when asked about accusations that the Army is linked with trafficking, the general said he was inflexible over detecting and sanctioning any cases of immorality in his institution.

If there were any doubts about his intentions, a few days after taking over the Huallaga Front command he sanctioned an officer. It was a warning for everyone.

It is incredible but Rodriguez Riveros is ready to show—papers in hand—that not a single light plane has entered the Upper Huallaga zone so far this year. Daily DEA reports confirm this.

He said that although the Army was responsible for coordinating the struggle against trafficking, he was not in charge of direct interventions. The police have that responsibility.

Today that situation has changed. In October 1993, a decree was issued stating that in emergency zones the Army fights subversion and drug trafficking.

All antinarcotics operations by any of the forces in Upper Huallaga (National Police, Air Force, or DEA) must be cleared in advance with the Huallaga Front commander. No operation is authorized without Army coordination.

"The control of drug trafficking is an objective today," said Gen. Alfredo Rodriguez Riveros during this interview that was arranged in principle as "a conversation," but which thanks to his kindness was authorized for publication.

[Chavez] Army members have been accused of maintaining contacts with drug traffickers. What is your opinion on these charges?

[Rodriguez] The commander reacted positively. Last year we had three inspections. This year we will have four. Perhaps out of fear, mistakes used to occur internally, within the units. Each commander had his policy and made his own decisions on penalties against his troops and on how to correct wrongdoings. This policy changed in 1992 and 1993. Officers are no longer reported to their commanders within the larger units; they are reported to the Army Inspector's Office and then to the Military Justice Supreme Council.

[Chavez] How many cases are being investigated in the Huallaga Front?

[Rodriguez] We already have investigated 15 cases. These cases are duly documented and ready for sentencing. The sentence will vary according to the degree of participation: They may be removed from the Army, placed at the disposal of the commander, retired, or referred to civilian courts.

[Chavez] Have you reported any cases since you were appointed as the Huallaga Front political and military chief?

[Rodriguez] Yes. I reported a case 24 hours after I discovered it. The problem was an old one, but we detected it. Our commander is aware of the case and documents are being prepared for his trial.

[Chavez] Who is he?

[Rodriguez] An officer. We caught him in the simplest of ways. He was attending a meeting outside the base and we looked for him because he left the base. During the investigation we learned that the officer "met" with a group (of drug traffickers). The rest followed this lead. I am unable to give you his name because he is still on trial.

Let us just say this was a message for all officers assigned to the Upper Huallaga front.

I think we have all come here with the same spirit: To work for our fatherland and to work for our institution.

[Chavez] In other words, a war with a loud warning does not kill people.

[Rodriguez] That is right.

[Chavez] How do you detect an officer involved in trafficking? Only through the inspectors?

[Rodriguez] There are various ways. One is through his lifestyle. With our salaries we cannot have certain luxuries. These people are also known for the way they talk. We are not isolated from society. We participate in all social activities and social meetings. Another way to detect them is by the way they brag about the money they have. This prompts us to investigate.

[Chavez] General, is this a certain "esprit de corps," seeking to cover up mistakes made by some officer?

[Rodriguez] This command has never allowed that to happen for ethical reasons. We will not cover up for anyone. Our commanders understand that trafficking is a scourge we must eliminate. That was the reason behind the law authorizing us to directly intervene in the fight to eliminate trafficking.

[Chavez] What can you do to prevent further corruption?

[Rodriguez] It is very difficult to be inside every officer's head. We are implementing measures, for example, by rotating duties. We think it is harmful for an officer to stay too long at one particular base. The social interaction with people in the zone could make him feel secure and might tempt him to get involved in illegal activities.

[Chavez] What can you tell us about the illegal drug trade? Is it moving somewhere else?

[Rodriguez] We have information that trafficking activities are gradually moving toward Loreto and Madre de Dios, that is, outside San Martin and Huanuco. We no longer see opulence in shopping malls. We see abandoned towns. Tocache and Uchiza used to be trafficking centers, but today these towns lack the economic resources to continue to develop.

[Chavez] So trafficking is moving to Loreto and Madre de Dios?

[Rodriguez] Yes, at least according to the information we have. We work day and night to detect light planes.

[Chavez] With what results?

[Rodriguez] Results have been negative lately. They no longer come to this area. If they do, it is not like in the past, that is, three to four times a day. They come once a month and run the risk of being caught.

[Chavez] How can you be sure if the Army does not have the adequate technological means to detect light planes flying at night, which is when traffickers move?

[Rodriguez] We work with the DEA. They can detect planes with their radar in Yurimaguas. They transmit the information to the Huallaga Front and we re-transmit it to the base closest to where the plane might land.

[Chavez] Does that mean the DEA tells you the exact moment a small plane enters Upper Huallaga?

[Rodriguez] Yes, it takes us an average of two minutes to learn about it.

[Chavez] Do you depend on information supplied by the DEA?

[Rodriguez] That's right.

[Chavez] How often do you receive DEA reports?

[Rodriguez] Daily.

[Chavez] How many small planes enter the region daily?

[Rodriguez] Currently, none enters this region. This is why we are seeking other possible routes (ground and river routes) for drug trafficking.

[Chavez] The people, however, say that they see small planes entering the region.

[Rodriguez] Well, they may say planes arrive here all the time. It may have occurred before.

[Chavez] According to your reports, when did the last plane enter the region?

[Rodriguez] We do not have this data.

[Chavez] Are you telling me that so far this year no plane has entered the Upper Huallaga region?

[Rodriguez] That's right.

[Chavez] Are you sure?

[Rodriguez] I repeat, according to our reports, no plane has entered the region. They are probably seeking other routes—probably along rivers or roads. In the 90 days we have been here, no flights or large shipments have been reported.

[Chavez] Do you think the Intelligence Service is mistaken, general?

[Rodriguez] I don't think so.

[Chavez] What do you believe is the main problem in 1994: The Shining Path or trafficking?

[Rodriguez] They go together. In the field of subversion two areas interest us: Sisa and Tingo Maria. Although we have temporarily neutralized Sisa, we want to clearly identify the group to be able to dismantle it. This, however, does not apply to Tingo Maria in Leoncio Prado Province, where there are permanent clashes. Both sides have casualties. It will take some time to resolve. The problem will not disappear in the near future, but we are sure we will finally eliminate them.

[Chavez] President Fujimori said in Colombia that the millions of dollars invested by the United States in the antinarcotics effort have yielded no results. What do you think of that?

[Rodriguez] Considering the actions so far, I could not comment on the issue. I have been here for too short a time. Talking with the people who live here, however, I have learned that they believe funds should not be allocated to the antinarcotics effort but to the coca replacement program. Rice, yerbaluisa, corn, and grapes are the most promising products in the region. Grapes, for example, are harvested three times in a year here while near the coast they are harvested only once. This occurs at the Cumbaza Valley, where grapes are harvested three times a year. That is why coca is not planted there.

[Chavez] Do you believe that in addition to being an economic, police, and moral problem, coca growing is also a social problem?

[Rodriguez] Yes, but this problem can be solved by helping the most needy people and by bringing together all institutions in an effort to find solutions to their problems. Those who told us they were ignorant and as a result they grew coca can now improve by growing more profitable products.

[Chavez] Do you believe peasants grow coca because they are ignorant?

[Rodriguez] Not because they are ignorant. I believe that at a certain moment they were pressed to do it and that for a while it was the most profitable crop.

[Chavez] What about poppies?

[Rodriguez] We have been patrolling the forest for 30 days looking for the sites where poppies were allegedly being grown. We have found nothing, but we will continue to look. [passage omitted]

## Description of Nuclear Research Center

*PY1603213394 Lima EL PERUANO in Spanish 2 Mar 94 p B7*

[Text] The Peruvian Institute of Nuclear Energy (IPEN) has implemented the largest national project in the field of science and technology: the construction of the Oscar

Miro Quesada de la Guerra-Racso Center for Nuclear Research [Centro Nuclear de Investigaciones Oscar Miro Quesada de la Guerra-Racso].

Located 40 km north of Lima in the region known as Huarangal, the nuclear center is a small science and technology citadel where a group of professionals and technicians specialized in various subjects are developing a series of activities applicable to nuclear energy.

The center's most important component is its investigations reactor called RP-10 (10 megawatts of thermal power) with four radial tubes [tubos radiales] and one tangential tubo [tubo tangencial]. The reactor's core contains MTR [materials-testing reactor]-type fuel with uranium enriched by 20 percent in which various samples are lowered for the production of radioisotopes, studies on the behavior of materials under neutron irradiation, neutrography [neutrografia], and diffraction and fission traces.

Another important plant component is the radioisotope production plant, which entails a series of laboratories located next to the reactor that are used for the production, quality control, and development of radioisotopes and irradiated [marcadas] molecules.

In addition to the nuclear center, IPEN has at its main headquarters in San Borja a test reactor (RP-0), a 14 MeV neutron generator, two gamma irradiators, and several laboratories engaged in projects such as the irradiation of food, isotopic hydrology [hidrologia isotopica], non-destructive tests, and gauging.

The Lima, Arequipa, and Trujillo nuclear medicine centers, which in addition to rendering routine services also carry out training, research, and development programs, are also part of IPEN's infrastructure acquired with the support and cooperation of the International Atomic Energy Agency.

## Venezuela

### Interior Minister: 'Nothing Extraordinary' About Search for Microphones

*PA1603183694 Caracas EL GLOBO in Spanish 15 Mar 94 p 2*

[Report by Paola Badaracco]

[Excerpt] Interior Relations Minister Ramon Escovar Salom said yesterday that investigations into the listening devices discovered at Miraflores Presidential Palace are still in a preliminary phase. "The courts are investigating and that is why I do not want to say anything about it. Period."

He said there is nothing extraordinary about a case like this being investigated because this type of investigation occurs routinely. The interior minister called attention to the fact that when he was presidency secretary general, he requested several electronic searches of his and the president's offices. He also acknowledged that when he was in charge of the Office of the Prosecutor General, he would order electronic searches every 10 days because there were too many people who were tempted to listen in on what was being said. He said that one time, the electronic searches discovered a transmission device, but it did not go anywhere specific because it had been discarded for some time.

The minister did not want to confirm whether an espionage center connected to La Torre de Las Delicias, the Defense Ministry, and Banco Latino really did exist. "I do not want to comment on that issue because I am waiting for some information."

According to the minister, his office constantly has this problem, and this is one reason why electronic searches are routinely conducted. [passage omitted]

### Defense Minister Opposes Blanket Amnesty for Coupists

*PA1703023494 Caracas EL NACIONAL in Spanish 15 Mar 94 p D-10*

[Report by Adela Leal]

[Text] Speaking before Congress, Defense Minister General Rafael Angel Montero Revette stressed his ministry does not approve of the draft amnesty law now pending before Congress and which would benefit the 4 February and 27 November 1992 coupists, because its approval would represent the institutionalization of military coups.

The minister made this statement after being summoned before the Interior Policy Commission of the Chamber of Deputies, which wanted to hear his views on the draft amnesty law. The commission is collecting information to determine procedures for handling the rebels who participated in the 1992 military uprisings, as well as procedures under which charges can be dropped.

Gen. Montero Revette said although he is not familiar with the text of the draft amnesty law, and although he cannot oppose any congressional debate or approval of the law, "we cannot grant a blanket pardon to all officers who participated in the foiled coup attempts." There are some officers who cannot return to their military institutions because they adopted political stands and have made political statements. He explained that the draft amnesty law contradicts military principles that endorse handling such cases on a case-by-case basis and not by way of a general policy. In other words, within the military, each case is unique unto itself.

Gen. Montero Revette pointed out that the Defense Ministry will expedite the dropping of charges by studying each case individually. He added that this policy was recommended by the office of President Rafael Caldera as a means for resolving the cases of the arrested military officers. He said that so far charges have been dismissed against 319 rebels—270 before the

new government was installed, 10 by decision of court-martial, and 39 since 2 February. As part of an effort to quickly resolve the problem, he said that last Sunday a military commission led by Army Chief of Staff Gen. Nicolas Valencia Vivas went to Peru to negotiate the return of those servicemen who have sought asylum in Peru.

The minister denied that an offer will be made to those who are imprisoned to exchange their freedom for a discharge from the Armed Forces. He also said it is not true that those who have been released are being harassed, adding that they are not being given any command posts and are constantly being rotated. The minister explained that those who have requested a discharge have been offered help in finding a job. Those who return to the Armed Forces are kept "under observation" for one year, while their commanding officer prepares monthly evaluations. At the end of one year, they are then assigned command posts.

Gen. Montero Revette stressed that under no circumstances should this be considered a witch hunt. He added that there are not enough intelligence officers to conduct an individual follow-up on each person against whom charges have been dropped. Referring to the case of Commander Hugo Chavez Frias, Gen. Montero Revette reiterated that Chavez Frias has expressed his wish to be the last person released, adding that his wish is being respected. The general indicated there was little chance of Chavez Frias returning to the FAN [National Armed Forces] because his case is one of "the most complex, considering he was the leader of the uprising."

On another subject, the defense minister said that his ministry has abolished what seemed to be a policy of investigating and arresting civilians for voicing opinions through the media. Currently, no civilian is under arrest in connection with the uprisings. The Defense Ministry's policy is not to open a case against civilians for voicing opinions to the press. To facilitate the process, we have decided that any necessary information must be coordinated with the ministry through its various departments. [sentence as published]

In conclusion, he said there have been some changes in the military institutions, and he invited the deputies to provide the names of those "officers who are members of AD [Democratic Action], Copei [Social Christian Party], National Convergence, and Radical Cause" in order that necessary steps can be taken. The politization of the Armed Forces will not be permitted as far as military promotions are concerned, because this is being used as an argument for not accepting into the FAN anyone who has publicly voiced political opinions.